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# '79 Annual Business Survey

## MEN'S STORE OPERATING EXPERIENCES

51st

ANNUAL REPORT

By the Financial & Operations Group

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National Clothier Corporation Made Annual Business Survey Report Possible. □ Full cost of the development of this 51st Annual Business Survey report by the Financial and Operations Group has been underwritten by the National Clothier Corporation division of MRA. □ National Clothier Corporation's underwriting of the Annual Business Survey is an extension of its programs for providing men's wear merchants with services and supplies essential to their business development.


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# TERMS AND DEFINITIONS

**COMMUNICATIONS:** Includes all expenses for local and long distance telephone service, telegrams, telephone and other communication equipment rentals and all postage expenses.

**CURRENT LIABILITIES:** Total of all debts falling due within one year.

**EQUIPMENT COSTS:** Include the lease or rental of all equipment, fixtures, delivery vehicles, company automobiles, etc. and outside repair and maintenance contracts applicable to the leased or rented equipment as well as buildings and property.

**GEOGRAPHIC AREAS:** Based on the Federal Reserve Districts. The Northeast area contains the Boston, Philadelphia, and New York Districts; the Southeast contains the Richmond and Atlanta Districts; the North Central is based on the Cleveland and Chicago Districts; the Central area covers the St. Louis, Minneapolis and Kansas City Districts; the Southwest, the Dallas District; and the West, the San Francisco District. A map detailing these areas is found on page 59.

**INCOME FROM LEASED DEPARTMENTS:** Commissions paid to the firm by the operators of the leased departments.

**INITIAL MARKUP PERCENT:** The difference between the original retail price and the cost of goods purchased, divided by original retail price. Include transportation charges in cost of purchases, but do not subtract cash discounts. For example, cost of a typical purchase may have been $600 and original retail price $1,200, resulting in an initial markup of $600, or 50% of retail price.
Markdowns at retail are markdowns net of markdown cancellations.

**MEDIAN FIGURE:** The mid-point of a range of figures with one-half of the firms reporting figures above it and one-half below it.

**METROPOLITAN SIZE:** The population immediately surrounding the area in which a business is located. This can be a community, town, or city population.

**NET OTHER INCOME AND EXPENSE:** Items which are financial, rather than operating in nature. Items include carrying charges from customers' charge accounts, interest income, net income or expense realized from properties not used in the business, gain or loss on the sale of fixed assets, and interest expenses. Income from leased departments is not included.

**NET PURCHASES AT COST:** Gross purchases at cost plus transportation charges inward minus returns to and allowances from vendors. Do not subtract cash discounts earned.

**NET WORKING CAPITAL:** Excess of current assets over current liabilities.

**NET WORKROOM COSTS:** Workroom costs minus income from alterations.

**NET WORTH:** In both incorporated and unincorporated firms equals total assets minus total liabilities. (In partnerships include partner's loans as liabilities.)

**NON-SELLING AREA:** Includes workroom area, forward and reserve stockrooms which are not used for selling purposes and those aisles not considered as selling area, such as area surrounding stairway, elevators, and/or escalators.

**OPERATING PROFIT:** Gross margin, including leased department income, minus expenses.

**PAYROLL:** Payroll of owners and officers is the amount actually paid to them. Selling payroll includes commissions and "spiffs." Non-selling payroll does not include workroom payroll.

**PENSIONS:** Payments to retired employees or contributions to pension or profit-sharing plans.

**PUBLICITY COST:** Expenses incurred for all advertising of the firm including radio, television, and newspaper advertising, special promotion material, store catalogs and other expenses attributable to the creation of publicity.

**RANGE OF COMMON EXPERIENCE:** The experience of the middle 50 percent of all responding firms when figures for a given item are arranged in numeric order from the lowest to the highest.

**SELLING AREA:** Is the total space occupied by selling departments, fitting rooms, forward stock areas which are contiguous to the department, salesmen and customer aisles, and bargain table space. Only selling space normally assigned to departments and utilized throughout the year is used in this calculation.

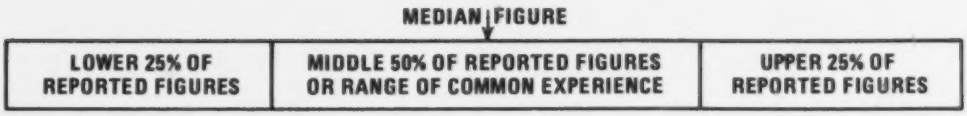
**SERVICES PURCHASED:** Consists exclusively of non-professional services rendered by outsiders such as cleaning, delivery, detective and alarm services, collection services by agencies and attorneys, data processing service bureaus, and credit card fees.

**INVENTORY TURNOVER:** Is the number of times during a given period, in this case one year, that the average inventory on hand at retail has been sold and replaced. The rate of turnover is computed by dividing net sales by average retail inventory.

**SUPPLIES:** Wrapping and packing supplies, cleaning supplies, stationery, electric and gas utilities, etc.; supplies used for employee welfare and employee gifts.

**TOTAL NET SALES:** Total of all net sales, including sales of leased department.

## HOW TO USE THIS REPORT


MEDIAN FIGURE
LOWER 25% OF REPORTED FIGURES
MIDDLE 50% OF REPORTED FIGURES OR RANGE OF COMMON EXPERIENCE
UPPER 25% OF REPORTED FIGURES

Enter your figures in the columns headed "Your Firm". Compare your firm's performance with the range of common experience and with the median firm. The range of common experience shows the experience of the middle 50 percent of all responding firms when figures for a given item are arranged in numeric order from the lowest to the highest. The "Median Firm" figure represents the mid-point of the figures with one-half of the firms reporting figures above it and one-half below. Since each firm's operating experience is different, some of your figures may be out of line for perfectly valid reasons. Therefore, study your particular situation as to whether the reasons for such out-of-line figures are justified.

## IMPORTANT ADVISORY NOTE

The information presented in this report is based on the results of a mail survey in which the reporting stores voluntarily participated. Thus, the sample may not necessarily reflect the entire industry.

Throughout this report the median firm's figures are reported rather than the *arithmetical average or mean.* Note particularly that with median figures, the component figures of an item may not necessarily add up to 100 percent. To avoid misinterpretation, it is important to realize that each of the medians in this survey was independently selected from its own array of figures. Because of this variation in sampling, normally accepted mathematical relationships among related data do not always exist with respect to the medians. For example, the median gross margin percent minus the median total operating expenses percent does not necessarily equal the median operating profit percent.

**IMPORTANT!** The median figures presented throughout this report MAY NOT represent the operating figures and results you should strive for. You must establish their importance. When the report shows a median rent of 4.4 percent of net sales for Group IV firms a lower rent percentage would be better. Conversely, a higher gross margin would be better than the median figures reported for all groups. A special section of the report details for you the stellar performances in the men's wear retailing industry. Use these to help set the goals for your business.


### SPECIAL RECOGNITION

In an effort to meet the informational needs of an expanding industry, Menswear Retailers of America is pleased to publish this comprehensive report of the characteristics of the men's wear retailing industry.

For the diligence required to tabulate and compile the survey data, MRA commends the work of Tyson Belzer & Associates, Inc., and extends a special thanks to Retail Management Consultant Gerald Smith and Stephen Goldstein, Coordinator of the Financial & Operations Group, for their advisory and publication management efforts.

*Retail Management Consultant and F.O.G. Past Chairman, Gerald H. Smith describes the MRA Annual Business Survey as: "The finest, most useful service MRA provides for its membership . . .* ***provided you put it to full use.***"

*To help the typical MRA member get increased value out of the Survey Report as a tool for evaluating and improving your own store performance, Gerald Smith offers the following step-by-step guide to understanding and applying all aspects of the Survey to your business:*

## HOW TO USE THE ANNUAL BUSINESS SURVEY

**by**

**Gerald H. Smith -- Retail Management Consultant**

Let's explore how you can make money by putting this valuable survey tool to work for your store.

First, go through the tables and enter your own expense and other figures called for in the columns headed "Your Firm." Now that you have entered your figures please read through this Survey Report with me:

Pages 1 and 2 define terms and conditions and the manner in which the report is to be used, and are important to the understanding and proper utilization of the Annual Business Survey. Take a few minutes to read over these two pages to increase the value of the information we are about to explore.

*Highlights of the Report* is the equivalent of newspaper headlines and calls to our attention those areas in the report which changed most dramatically during the year. Sometimes the changes are good and sometimes they are not so good. Our job, maximizing the value of this report, is to make better highlights in the future.

The charts, *Who Made This Survey Possible* and *Report by Size of Metropolitan Trading Area* provide us with a clue as to where we can most heavily rely on the statistics that are presented and to the contrary, those areas which we should question. For instance, if the number of retailers reporting from a specific geographic area are rather insignificant in relationship to the total number of responses, it indicates we should not rely too heavily on this finding as a single business firm could unduly distort the figures and ratios. *In any survey the larger the number of participants, the more dependable the analysis.*

The next two pages are very valuable in that they present to us five and ten year trends of several very important criteria. Here, for instance, we are able to see the steady growth of sportswear sales in relation to clothing and furnishings. (with the exception of this year) Here, also, we find that in spite of much conversation and effort, initial markups in menswear stores have not improved noticeably over the last five years. What small improvement there has been in initial markups joined with a slight decrease in markdowns represents a noticeable gross margin improvement over the last ten years.

We can see that expenses have more than kept pace with the improvement in gross margin over the last ten years causing stagnant and, in my opinion, inadequate net profit. In each of these graphs and charts we should enter our own company's ratios and experiences, so that we can compare our performance to that of the industry. Hopefully, your figures are better than those presented in the survey. To truly prosper in retail menswear you must commit yourself to a higher level of productivity.

Page 11 presents ten ratios which are very meaningful to the credit granting business. Some of these are also helpful to management, most helpful, in my view, being Net Profit On Net Sales, Net Profits On Net Worth, Net Sales To Net Worth, Current Assets To Current Liabilities, and Total Liabilities On Net Worth. It has been my experience that these five ratios, along with sales per square foot (total sales ÷ by total square feet used), stock turn rate (retail sales ÷ by average retail inventory), return on assets (net profit before taxes ÷ by total net assets), operating expense ratio (operating expenses ÷ by net sales), gross margin ratio (gross margin ÷ by net sales), class cumulative gross margin percent (gross margin ratio times stock turn rate for each classification), and annual sales growth rate (minus last year's sales, plus this year's sales divided by last year's sales) are the 12 most significant ratios to measure the effectiveness of merchandising and total performance.

The total industry performance for the *10 Key Business Ratios* is shown at the bottom of page 11 followed by three pages of these same ratios analyzed first by firm volume, then geographic area and metropolitan trading size area.

In each of these instances we should enter our own ratios so that we can compare ourselves to each of the given volume, area and size parameters. *If it is your intention to use these ratios or any others that follow as a guide to establishing goals for your own firm, I suggest that you adopt as a minimum goal the upper range of common experience.*

Pages 15 and 16 explain who the star performers are and give us an insight into the experiences of some of the

most profitable apparel specialty store retailers in the country. These star performance figures can be most helpful in establishing objective and critical goals and criteria for performance in your own stores. Whenever I am given the assignment of analyzing a retail business, one of the first things I do is compare the broad operating experiences of major expense and income items as detailed on this page against the high standards I have set for the retail industry.

Pages 17 through 21 provide insight into one of the most difficult areas to manage in retailing, *individual employee productivity*. I find it to be one of the areas in which retailing is weakest. *The amount of sales produced by the average salesperson motivated and compensated by the average manager or owner is simply not adequate today to achieve the levels of growth and profit which are necessary to survive and prosper in an inflationary economy.* When the time comes to renovate the old store there simply will not be the funds or cash flow to do so.

In keeping with this low rate of individual sales is an unusually low rate of compensation. This causes untold problems in retailing, including high turnover and susceptibility to our personnel being plundered by other industries. It has been my experience that poor personnel management in menswear retail stores is second only to poor inventory management, as an area in which the greatest expense occurs and which has the greatest potential for profit. Here again we should enter our own experiences so that we can compare ourselves to those industry leaders who were generous enough with their time and information to provide us their experiences.

Pages 22 and 23, *Profit & Merchandising Information*, show us how few firms in menswear retailing achieve the level of profitability which is commonplace in many other industries.

For the fiscal year ended January 31, (1980) only (11.9%) of the firms reporting achieved a net profit of 10% or higher. In my opinion the primary reason for this is revealed on pages 32, 45, 50, where the inventory turn rate and sales per square foot is detailed. It would be very interesting to compare your profit percentage levels versus sales per square foot and inventory turn rate.

I find the leased department information at the bottom of the page detailing industry shrinkage figures (page 24) helpful in that it reveals the most likely candidate for related merchandising opportunities should we have space available in our stores.

On pages 25, 44, 49, 54 and 59 we find interesting and critical merchandising and productivity data. Each of these pages present the identical data, first differentiated between firms handling menswear only and firms handling menswear and womenswear, then by annual sales volume, followed by population and Federal Reserve District. Here space is provided to enter the ratios of your own firm and by all means you should do so on the appropriate pages. You will recognize some of the ratios on this page as those which I specified earlier as being most significant. Among them are the increase in total net sales from last year and the annual stock turn rate.

Page 28 shows the distribution of sales by merchandise classification for firms handling menswear only and firms having both menswear and womenswear. This information can be valuable to stores seeking sales and profit opportunities in classifications in which they may not now be doing an adequate job of allocating inventory. Please take into consideration that climatic conditions can have a great deal to do with how these ratios apply to your store, especially in such classifications as jackets and heavy outerwear.

Since the sum of all the percentages presented totals 100%, a significant increase or decrease in any classification could significantly affect other classifications. Again, the information can be very helpful. Just keep your climatic conditions in mind.

Two pages of great interest (26, 27) detail the *Percentage Distribution of Average Inventory within Major Departments by Merchandise Classification* and the companion *Percentage Distribution of Sales by Merchandise Classification.* Space is provided on this page also to enter your figures, and again, *by all means, please do so.*

The different stock turn rates achievable in clothing vs. sportswear vs. furnishings are very obvious from this information. We can see in sportswear, for instance, a lower average share of inventory results in a significantly higher share of sales. When you have entered your figures here it should be obvious to you that there are instances where inventory has not been properly allocated. This same thinking might be extended in your particular store to the reallocation of space or advertising dollars by department.

In my opinion four of the most valuable schedules in this entire report are, first, the *Percentage Increase or Decrease in Sales by Merchandise Classification;* secondly, *the Ending Inventory by Merchandise Classification as a Percentage of the Total Ending Inventory;* thirdly, *Markdowns as a Percentage of Merchandise Classification Sales;* and last, and most important, *Inventory Turnover by Merchandise Classification.*

Hopefully, you have all of your figures from a stock ledger or inventory management report, so that you can fill in your own percentages and ratios on these pages. I find it very helpful to have this information available as it helps me spot missed sales and profit opportunities for clients. It is not quite enough just to know that gross margin has been inadequate. We need to know why.

It could be that the initial markup is inadequate, or that markdowns have been too high, or that sales have been missed as a result of inappropriate inventory allotment. The information on these four pages (29, 30, 31, 32) can help point you in the right direction.

Let's take a moment for some special comments about inventory turnover by merchandise classification. My opinion, which I know is shared by others, is that menswear stores perform poorer in this area than probably in any other area of their operations.

With the opportunities for in-season buying and mid-season fill-ins, and through the judicious use of buying

offices, there simply is no reason today why menswear stores should experience the poor inventory turnover that is occurring. The cost of money and other related inventory carrying costs exceed 30% of the average inventory investment at cost.

Carrying too much inventory, or being bought-up too far in advance, or committing too high a percentage of total needs in advance of season unnecessarily increases the risk of doing business. The means of improving this performance is available today to all members of MRA and it behooves every one of us to search out the methods and techniques for doing so.

The next three pages (33, 34, 35) represent beginning stock-to-sales ratios based on annual sales volume and then further reported separately for stores carrying menswear only and for stores carrying menswear and womenswear. Your unique local conditions and climate affect the application of this information; however, my experience is that stock-to-sales ratios are used effectively by many retailers in planning their open-to-buys.

Pages 36, 37, 43, 48, 52-53 and 56-57 offer Composite Operating Statements expressing the expense and income experience differentiated first between stores carrying only menswear and stores carrying menswear and womenswear, then by sales volume, then by population and lastly, by Federal Reserve Districts. This information is particularly helpful when I attempt to analyze the expenses of clients. Two items on this page bother me. I am not at all satisfied with the gross margin percent being achieved in our industry. I believe gross margins (excluding workroom costs) in the area of 44%-45% are readily achievable through the implementation of the retail inventory method and disciplined use of an open-to-buy.

The other dissatisfactory item is payroll, where a median figure in the 19% range has been experienced by menswear stores. It has been my observation that when payroll (excluding workroom) exceeds 18% of sales, the store is headed for trouble.

Other than those two exceptions, I find the ratios which appear on these pages to be representative and very helpful and useful when analyzing a retailer's operation or in preparing an expense budget.

The manner in which the advertising budget is spent, depicted on page 38 is of interest. However, I must caution you that when comparing your percentages against those which are shown, keep in mind that significant local conditions can seriously impact the picture. The relative strength or weakness of local media must also be taken into consideration.

The comparison of sales percent by month to publicity cost by month, shown on pages 39, 40 and 41 is most helpful when developing an advertising budget. You should be guided by the pattern of other retailers as to when advertising increases or subsides as a percentage of individual monthly sales. Additionally, if you want to adjust your advertising budget as a total percentage of sales, you can get guidance here as to what month can be profitable for either additional advertising commitments or reduced commitments based on an industry wide experience.

Pages 42, 44, 45 and 46 present seven very important key ratios which contribute to profitability in retail apparel stores. Specifically, they are Sales per Square Foot, Sales volume increase, Total Expense Ratio, Net Profit Ratio, Gross Margin Ratio, Inventory Turnover and Cooperative Advertising Money received as a percentage of gross publicity costs. The first six items are reported elsewhere in the survey and are repeated here to emphasize their importance.

I am constantly amazed at the wide variance in co-op advertising money received and can only conclude that too many stores do not give it proper attention. It has been my experience that properly tended, cooperative advertising money can account for 25%-33% of a store's advertising budget.

On pages 45 and 50 are very significant performance ratios based on square footage; first by square foot of selling area and secondly, by square foot of total area. I heartily concur with this presentation as it emphasizes how valuable a square foot of area must be considered. This is especially true with the increasing rent and occupancy costs with which retail stores are being faced. Obviously, the key to better performance is to increase sales per square foot. This is further emphasized on pages 51 and 55 where sales per square foot for the selling area and the total areas is shown first, by metropolitan population size and then again, by Federal Reserve District. I want to reiterate *the two most critical ratios in measuring the success or failure of a retail apparel specialty store are sales per square foot and stock turn rate.* You simply can't get away from it.

On the last page is the 4-5-4 accounting calendar, which I recommend to all retail apparel stores. To my knowledge every large retail apparel organization and department store in the United States uses it. It can be most helpful in planning your sales, inventory and advertising. It eliminates year-to-year fluctuations in sales due to the different number of selling days per month and variances in the actual selling days as relates to the number of Saturdays vs. the number of Mondays, etc.

If you did not participate in the survey this year I hope you will make a commitment to do so in the coming year. Your participation can only improve an already valuable industry yardstick.

## 1979 HIGHLIGHTS OF THE REPORT

- 1979 Sales increased by 2.4 percent as compared to 1978's increase of 6.3 percent over 1977 levels. Firms handling menswear realized a 1.0 percent median increase in sales while firms handling men's and women's wear showed a 4.9 percent increase.

- Gross margin (excluding leased departments) rose half a percent to 41.0 percent. The best gross margin performance was realized by the largest firms with a 43.1 percent gross margin figure.

- Total operating expenses increased for all firms with a median increase from 35.7 to a 37.3 percent median.

- Net profit before taxes rose from a 1978 median of 3.3 percent to 3.9 percent level. Firms handling only menswear showed a 3.8 percent net profit figure (compared to 3.0 for 1978) while firms also handling women's wear recorded a substantial increase from a 3.5 percent 1978 performance to a 4.2 percent median level. Smaller firms posted the best profit picture with a 7.1 percent median while the largest firms realized a 3.5 percent median.

- Median initial markup increased in clothing to 51.8 percent up one full percentage point from 1978 and representing the highest level for the past five years. Initial median markup for men's sportswear and furnishings also increased slightly to 51.3 percent and 50.9 percent respectively.

- Total men's clothing markdowns increased to 12.6 percent over last year's level of 12.0. Markdowns in sportswear decreased to 11.6 percent from 11.9 percent in 1978 and furnishings increased to 7.6 from 7.5 percent in 1978. Men's suits decreased in sales from 1978 by 2.2 percent. Sport coats realized a dramatic 13.3 percent increase to head the list of all major men's classifications. Jeans and Heavy Outerwear experienced decreases in sales from 1978 at 2.3 and 2.4 percent respectively.

- Annual stock turn rate decreased slightly to 1.8 as opposed to the 1978 turn rate of 1.9.

- Net workroom cost as a percentage of net sales increased slightly from 2.1 percent in 1978 to 2.2 for 1979.

- Contributions to store volume showed men's clothing increasing from 49.6 percent in 1978 to 52.5 percent in 1979. Men's sportswear dipped over two percentage points to 28.1 percent while total men's furnishings decreased to 19.4 from the 1978 level of 20.0 percent.

- Individual salesperson productivity showed substantial increases by firm volume with Group I firms' employees showing a $22,000 sales increase for 1979. Selling payroll decreased in 1979 to 9.7 percent of sales compared with 1978's 9.9 percent.

# WHO MADE THIS SURVEY POSSIBLE

## DATA COMPILATION

'Information for this year's survey was received, controlled and compiled into the statistical tables by Tyson Belzer & Associates, Inc. The medians and ranges of common experience were computed based on the confidential, unaudited questionnaires submitted by two hundred and nineteen participants. Respondents were contacted as required to obtain additional information and to reconcile questionable data. The results of the participating members are presented to represent characteristics of the men's wear retailing industry and are not intended to represent a statistically valid sample of MRA members.

# 1979 REPORT BY GEOGRAPHIC AREA

The geographic areas used in this report are based on the Federal Reserve Districts. The Northeast area contains the Boston, Philadelphia, and New York Districts; the Southeast contains the Richmond and Atlanta Districts; the North Central is based on the Cleveland and Chicago Districts; the Central area covers the St. Louis, Minneapolis and Kansas City Districts; the Southwest, the Dallas District and the West, the San Francisco District. A map detailing these areas is found on page 60.

| Region | Percent of Total Participants |
|---|---|
| Northeast | 15% |
| Southeast | 17% |
| North Central | 31% |
| Central | 22% |
| Southwest | 4% |
| West | 11% |
| No Region Given | – |
| Total | 100% |

# 1979 REPORT BY FIRM VOLUME

| Volume Group | Percent of Total Participants |
|---|---|
| I. Under $300,000 | 17% |
| II. $300,000 to $499,999 | 19% |
| III. $500,000 to $999,999 | 29% |
| IV. $1,000,000 to $3,499,999 | 26% |
| V. $3,500,000 and over. | 9% |
| Total | 100% |

## 1979 REPORT BY SIZE OF METROPOLITAN (TRADING) AREA

This is the population of trading area immediately surrounding the community, town, or city in which your business is located. These divisions represent the total number of potential customers for your store as found in your trading area.

| Metropolitan Size | Percent of Total Participation |
|---|---|
| I. Less than 25,000 | 20% |
| II. 25,000 to 49,999 | 22% |
| III. 50,000 to 99,999 | 19% |
| IV. 100,000 to 499,999 | 23% |
| V. 500,000 to 999,999 | 7% |
| VI. 1,000,000 and over | 7% |
| No size given | 2% |
| Total | 100% |

## 1979 REPORT BY NUMBER OF RETAIL OUTLETS

| No. of Outlets | Percent of Respondents |
|---|---|
| 1 | 58.0% |
| 2 | 18.7% |
| 3 | 5.9% |
| 4 | 1.8% |
| 5 | 3.7% |
| 6 | 2.7% |
| 7 | .9% |
| 8 | .5% |
| 9 | .5% |
| 10 or more | 1.8% |
| No. of outlets not given | 5.5% |
| Total | 100% |

## 1979 REPORT BY TYPE OF BUSINESS

| Type of Business | Percent of Respondents |
|---|---|
| Proprietorships | 10% |
| Partnerships | 4% |
| Incorporated* | 85% |
| Type of Business not given | 1% |
| Total | 100% |

*Included in this figure are Subchapter "S" incorporated proprietorships.

# MERCHANDISE TRENDS — FIVE YEAR REPORT 1975-1979

These figures represent the changes in the men's fashion industry. Because survey participants vary from year to year the figures should not be interpreted as showing definite industry trends.

## DISTRIBUTION OF MEN'S WEAR SALES WITHIN THREE MAJOR MERCHANDISE CLASSIFICATIONS

| | 1979 | 1978 | 1977 | 1976 | 1975 |
|---|---|---|---|---|---|
| Total Men's Clothing | 52.5% | 49.6% | 50.3% | 53.2% | 52.2% |
| Total Men's Sportswear | 28.1 | 30.4 | 29.4 | 29.1 | 28.2 |
| Total Men's Furnishings | 19.4 | 20.0 | 20.3 | 17.7 | 19.6 |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

## PERCENTAGE OF INITIAL MARKUP FOR MAJOR MEN'S WEAR CATEGORIES – FIVE YEAR REPORT

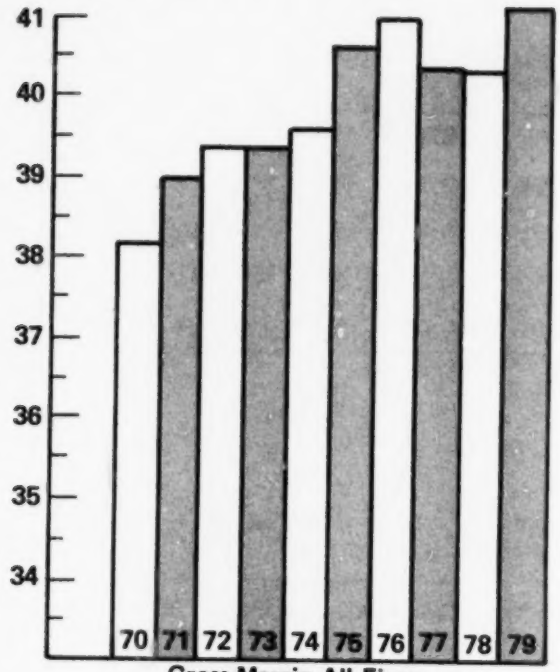
| Year | Men's Clothing | Men's Sportswear | Men's Furnishings |
|---|---|---|---|
| 1975 | 50.1% | 50.3% | 49.7% |
| 1976 | 50.0% | 50.3% | 49.9% |
| 1977 | 50.3% | 50.7% | 50.0% |
| 1978 | 50.8% | 51.0% | 50.0% |
| 1979 | 51.8% | 51.3% | 50.9% |

## PERCENT OF MARKDOWN FOR MAJOR MEN'S WEAR CATEGORIES FIVE YEAR REPORT

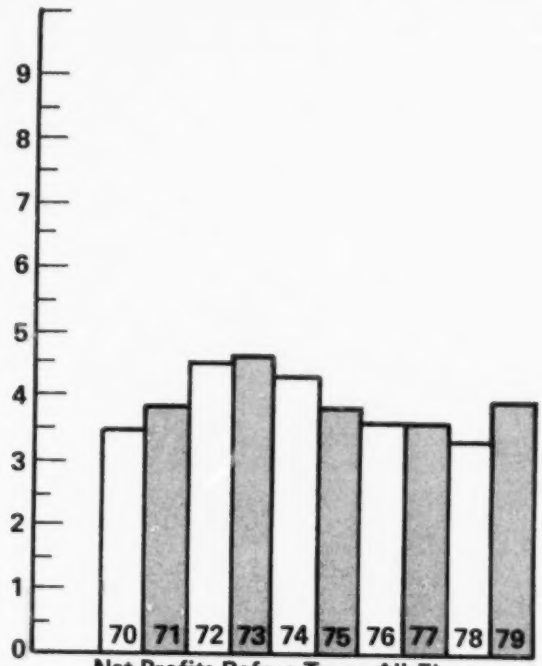
| Year | Men's Clothing | Men's Sportswear | Men's Furnishings |
|---|---|---|---|
| 1975 | 14.1% | 10.2% | 7.4% |
| 1976 | 12.1% | 11.8% | 6.5% |
| 1977 | 12.1% | 12.2% | 7.5% |
| 1978 | 12.0% | 11.9% | 7.5% |
| 1979 | 12.6% | 11.6% | 7.6% |

# TEN YEAR TRENDS

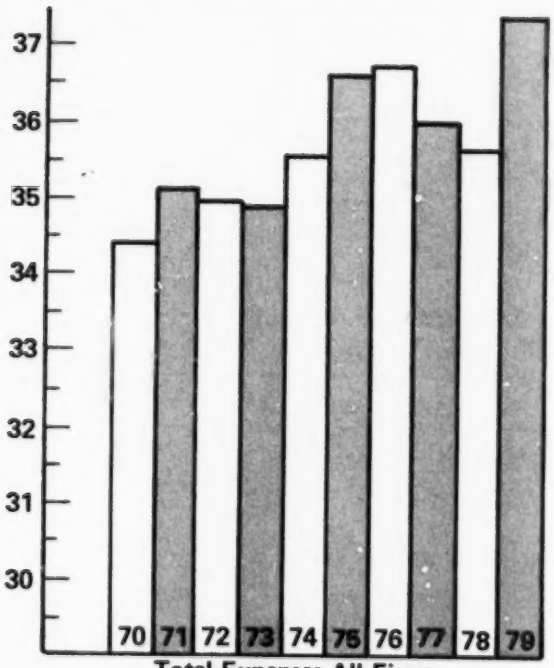
The presentation of ten year trend figures is to illustrate how the men's wear retailing industry changes. Each year's figures are independent and must stand alone. Because survey participants vary each year, the figures presented may not be entirely comparable.



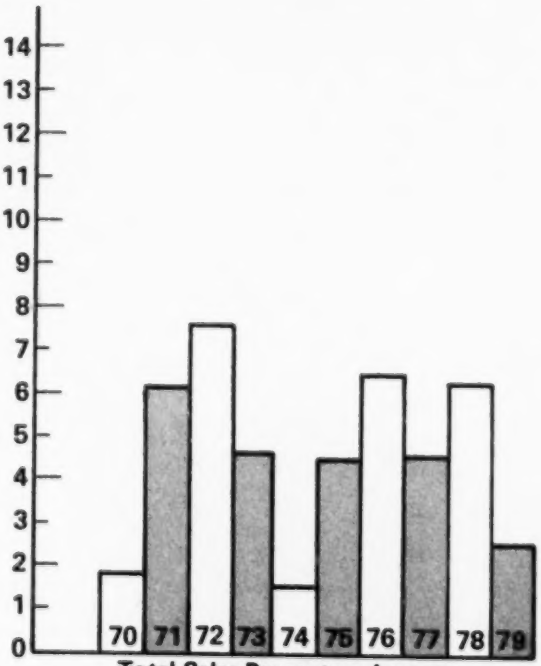

Gross Margin All Firms
(Percent of Net Sales)




Net Profits Before Taxes All Firms
(Percent of Net Sales)




Total Expenses All Firms
(Percent of Net Sales)




Total Sales Percentage Increase
over Prior Year

# THE 10 KEY BUSINESS RATIOS THAT UNLOCK THE DOOR TO CREDIT AND HELP YOU EVALUATE THE SUCCESS OF YOUR BUSINESS

Each year these ten key business ratios are used by your banker, your resources and others to determine your ability to meet your obligations — your business' strength. Their evaluation of your performance in these ten areas can open the door to the credit you need. An understanding of these ten key business ratios helps you to evaluate and better understand your business.

1

### CURRENT ASSETS TO CURRENT LIABILITIES

**Current Assets** are divided by total **Current Liabilities.** Current Assets are the cash, notes, accounts receivable, (less reserve for bad debts) merchandise inventories and securities (not in excess of market value). Current Liabilities consist of the total of all debts falling due within one year. This is one test of solvency.

2

### QUICK RATIO OR ACID TEST

This ratio is a more severe measure of liquidity than the current ratio, since it eliminates inventory and prepaid items from consideration. It assumes that a company's ability to meet its current debts in an emergency depends on its "quick" assets – its cash and readily marketable securities and receivables. The traditional rule of thumb is that the minimum for this ratio should be 1 to 1, which implies that current liabilities are covered by quick assets. The ratio is obtained by dividing **"Quick Assets"** by **Current Liabilities.**

3

### NET PROFITS ON NET SALES

This ratio is obtained by dividing **Net Profits** of the business (before taxes) by **Net Sales.** This important yardstick in measuring profitability is closely related to the next ratio.

4

### NET PROFITS ON NET WORTH

This ratio is computed by dividing **Net Profits** (before taxes) by **Net Worth.** Net Worth is the equity you or your stockholders have in the business as obtained by subtracting total liabilities from total assets. **There is a tendency to use this figure as a final evaluation of business profitability.** Most evaluators look upon a relationship of at least 14 percent as desirable for providing funds for future growth.

5

### NET PROFITS ON NET WORKING CAPITAL

This ratio is obtained by dividing **Net Profit** (before taxes) by **Net Working Capital.** Net Working Capital is the excess of Current Assets over Current Liabilities and represents the cushion available to the business for carrying inventories, in some cases receivables, and for day-to-day financing. This ratio then reflects the contribution of net profits to business liquidity.

6

### NET SALES TO NET WORTH

**Net Sales** are divided by **Net Worth.** This gives a measure of the turnover of invested capital.

7

### NET SALES TO NET WORKING CAPITAL

Divide **Net Sales** by **Net Working Capital.** This serves as a guide to a firm's ability to turn its Working Capital and its levels of operating funds.

8

### CURRENT LIABILITIES ON NET WORTH

Computed by dividing **Current Liabilities** by **Net Worth.** A potential problem exists when this relationship exceeds 80 percent.

9

### TOTAL LIABILITIES ON NET WORTH

Divide **Total Liabilities** by **Net Worth.** When this ratio is in excess of 100 percent the creditors have a greater equity in the firm than the owners.

10

### INVENTORY ON NET WORKING CAPITAL

**Merchandise Inventory,** as reflected in current assets, is divided by **Net Working Capital.** This indicates inventory balance and true capital liquidity. Ordinarily this ratio should not exceed 80 percent or day-to-day operating capital is impaired.

## TOTAL INDUSTRY PERFORMANCE

### TEN KEY BUSINESS RATIOS BASED ON A STUDY OF MEN'S WEAR RETAILING FIRMS

| | Range of Common Experience | Median |
|---|---|---|
| Current Assets to Current Liabilities | 2.1- 5.2 | 3.1 |
| Quick Ratio | .6- 2.1 | 1.1 |
| Net Profits on Net Sales | 1.1- 7.1% | 3.9% |
| Net Profits on Net Worth | 3.6- 23.8% | 13.2% |
| Net Profits on Net Working Capital | 3.3- 28.0% | 13.3% |
| Net Sales to Net Worth | 2.5- 5.7 | 3.6 |
| Net Sales to Net Working Capital | 2.8- 5.8 | 3.8 |
| Current Liabilities on Net Worth | 23.1- 86.4% | 43.9% |
| Total Liabilities on Net Worth | 31.4-141.6% | 63.8% |
| Inventory on Net Working Capital | 67.7-130.4% | 91.4% |

## TEN KEY BUSINESS RATIOS BY FIRM VOLUME

| | GROUP I FIRMS ANNUAL SALES UNDER $300,000 (37 Firms) | | GROUP II FIRMS ANNUAL SALES $300,000 to $499,999 (42 Firms) | | GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 (64 Firms) | | GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999 (57 Firms) | | GROUP V FIRMS ANNUAL SALES $3,500,000 and over (19 Firms) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | YOUR FIRM |
| Current assets to current liabilities | 2.6- 6.7 | 4.5 | 2.3- 5.4 | 3.7 | 2.2- 4.4 | 2.8 | 1.9- 4.2 | 3.1 | 1.7- 3.9 | 2.2 | _____ |
| Quick ratio or acid test | .4- 2.8 | 1.0 | .4- 1.9 | .9 | .6- 2.1 | 1.2 | .6- 2.1 | 1.2 | .6- 1.5 | .9 | _____ |
| Net profits on net sales | 1.8- 11.1% | 7.1% | 1.1- 8.5% | 4.9% | 1.1- 6.5% | 3.5% | .5- 4.4% | 2.2% | 1.3- 6.0% | 3.5% | _____ |
| Net profits on net worth | 5.8- 31.4% | 18.5% | 3.6- 30.3% | 17.2% | 3.3- 26.6% | 12.8% | 2.0- 19.0% | 8.8% | 5.7- 20.4% | 12.7% | _____ |
| Net profits on net working capital | 6.9- 35.2% | 13.8% | 3.9- 31.2% | 16.8% | 2.6- 25.2% | 11.7% | 1.9- 16.9% | 9.6% | 6.7- 32.2% | 16.4% | _____ |
| Net sales to net worth | 1.9- 5.6 | 2.9 | 2.7- 5.7 | 4.1 | .5- 5.0 | 3.2 | 2.6- 5.6 | 4.0 | 2.8- 6.9 | 4.9 | _____ |
| Net sales to net working capital | 1.9- 4.3 | 2.9 | 3.0- 5.8 | 4.0 | 2.6- 5.6 | 3.6 | 3.1- 6.1 | 4.3 | 3.5- 8.0 | 5.6 | _____ |
| Current liabilities on net worth | 15.9- 73.1% | 34.8% | 18.3- 70.7% | 43.5% | 28.6-110.2% | 48.5% | 30.0- 81.4% | 43.9% | 34.7-135.3% | 69.8% | _____ |
| Total liabilities on net worth | 24.5-157.8% | 46.2% | 19.3-154.0% | 60.2% | 35.4-120.0% | 57.7% | 40.5-126.8% | 68.9% | 34.7-152.4% | 129.5% | _____ |
| Inventory on net working capital | 61.1-125.5% | 91.6% | 70.8-128.7% | 97.7% | 66.5-126.8% | 90.1% | 67.7-136.4% | 88.7% | 81.7-167.0% | 107.0% | _____ |

## TEN KEY BUSINESS RATIOS BY GEOGRAPHIC AREA

| | NORTHEAST Boston, Philadelphia, New York, F.R. Dists. (34 Firms) | | SOUTHEAST Richmond, Atlanta F.R. Dists. (37 Firms) | | NORTH CENTRAL Cleveland, Chicago F.R. Dists. (67 Firms) | | CENTRAL St. Louis, Minneapolis, Kansas City F.R. Dists. (48 Firms) | | SOUTHWEST Dallas F.R. Dists. (8 Firms) | | WEST San Francisco F.R. Dists. (24 Firms) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Range Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | YOUR FIRM |
| Current assets to current liabilities | 2.1- 3.3 | 2.4 | 1.7- 5.0 | 3.0 | 2.4- 5.2 | 3.4 | 1.9- 6.1 | 3.5 | 2.2- 5.1 | 4.1 | 2.3- 5.8 | 3.5 | |
| Quick ratio or acid test | .6- 1.4 | .8 | .5- 2.7 | .9 | .7- 2.4 | 1.5 | .5- 2.2 | 1.2 | .6- 2.7 | 1.7 | .4- 1.8 | 1.0 | |
| Net profits on net sales | .7- 7.5% | 2.5% | .8- 8.8% | 3.8% | 1.1- 5.0% | 3.5% | .7- 8.2% | 4.3% | 1.3- 5.9% | 4.9% | 2.4- 7.2% | 4.2% | |
| Net profits on net worth | 1.9- 34.4% | 12.8% | 2.3- 28.3% | 13.0% | 3.6- 20.4% | 10.5% | 2.5- 24.2% | 15.0% | 3.6- 23.8% | 4.5% | 9.1- 25.6% | 17.0% | |
| Net profits on net working capital | 2.0- 28.2% | 9.6% | 2.4- 31.0% | 15.9% | 3.9- 22.5% | 10.9% | 2.0- 32.8% | 15.1% | 3.3- 27.7% | 6.7% | 9.5- 28.1% | 13.7% | |
| Net sales to net worth | 3.0- 7.8 | 4.6 | 2.3- 7.4 | 3.6 | 2.5- 5.2 | 3.6 | 2.5- 5.3 | 3.6 | 2.6- 6.8 | 3.4 | 2.5- 4.8 | 3.3 | |
| Net sales to net working capital | 3.1- 5.8 | 4.3 | 2.8- 8.0 | 3.6 | 3.0- 5.0 | 3.8 | 2.6- 7.0 | 3.9 | 2.3- 4.7 | 2.8 | 2.7- 4.7 | 3.6 | |
| Current liabilities on net worth | 39.7-132.8% | 68.2% | 20.5-146.9% | 39.1% | 21.9- 68.0% | 42.4% | 21.5- 75.5% | 39.0% | 29.0- 79.3% | 43.4% | 19.2- 74.8% | 46.0% | |
| Total liabilities on net worth | 45.8-240.2% | 80.5% | 25.4-160.5% | 67.0% | 24.1-114.4% | 49.5% | 31.6-130.8% | 61.7% | 29.0-152.3% | 79.3% | 35.6-123.5% | 62.1% | |
| Inventory on net working capital | 78.9-135.4% | 105.9% | 65.8-176.3% | 106.7% | 64.9-112.3% | 78.9% | 70.9-123.9% | 90.8% | 56.7-164.4% | 76.6% | 77.2-125.1% | 97.6% | |

## TEN KEY BUSINESS RATIOS BY METROPOLITAN (TRADING) AREA SIZE

| | POPULATION Less Than 25,000 (44 Firms) | | POPULATION 25,000 to 49,999 (48 Firms) | | POPULATION 50,000 to 99,999 (42 Firms) | | POPULATION 100,000 to 499,999 (50 Firms) | | POPULATION 500,000 to 999,999 (15 Firms) | | POPULATION 1,000,000 and over (16 Firms) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | YOUR FIRM |
| Current assets to current liabilities . . | 2.0- 5.3 | 3.7 | 2.3- 5.6 | 3.3 | 2.3- 5.6 | 3.2 | 2.0- 4.9 | 2.9 | 2.2- 4.3 | 2.6 | 1.5- 5.9 | 2.3 | ____ |
| Quick ratio or acid test . . . . . | .4- 1.9 | .8 | .7- 2.1 | 1.4 | .7- 2.4 | 1.4 | .6- 2.3 | 1.1 | .4- 1.5 | .9 | .3- 2.5 | .9 | ____ |
| Net profits on net sales . . . . . | 2.3- 8.7% | 5.1% | .9- 7.4% | 4.1% | 1.1- 7.5% | 4.2% | 1.0- 5.9% | 2.6% | 1.2- 4.9% | 2.4% | (1.3)- 6.0% | 1.5% | ____ |
| Net profits on net worth . . . . | 4.8- 25.8% | 16.7% | 4.3- 24.2% | 14.9% | 3.4- 28.8% | 13.2% | 3.8- 21.4% | 9.8% | 3.1- 19.4% | 14.8% | (8.0)- 33.7% | 7.7% | ____ |
| Net profits on net working capital . | 6.7- 28.0% | 14.6% | 4.7- 33.7% | 14.6% | 3.0- 31.3% | 12.4% | 2.5 23.7% | 10.0% | 3.6- 23.7% | 13.6% | (8.2)- 41.1% | 5.2% | ____ |
| Net sales to net worth . . . . | 2.4- 4.9 | 3.3 | 2.3- 5.7 | 3.4 | 2.3- 5.2 | 3.6 | 2.6- 5.9 | 3.9 | 2.8- 6.8 | 4.2 | 2.4- 7.2 | 5.3 | ____ |
| Net sales to net working capital . | 2.2- 5.4 | 3.7 | 2.8- 5.6 | 3.6 | 2.1- 5.4 | 3.7 | 2.7- 6.3 | 4.1 | 3.0- 6.1 | 4.6 | 2.9- 8.8 | 4.7 | ____ |
| Current liabilities on net worth . . . . | 21.3- 77.7% | 38.9% | 18.5- 77.1% | 41.0% | 19.0- 75.5% | 42.9% | 28.6-146.9% | 43.4% | 30.2- 96.3% | 57.3% | 27.3-152.4% | 71.8% | ____ |
| Total liabilities on net worth . . . . . | 26.7-134.9% | 66.5% | 30.5-111.2% | 50.3% | 35.1-117.8% | 62.7% | 30.4-178.0% | 54.5% | 31.1-149.8% | 113.0% | 30.7-189.5% | 132.3% | ____ |
| Inventory on net working capital . | 70.1-136.2% | 112.2% | 62.4-113.2% | 78.6% | 62.4-119.9% | 86.0% | 65.8-138.6% | 89.9% | 78.7-165.7% | 111.1% | 77.8-186.7% | 112.0% | ____ |

# THE STAR PERFORMERS

**Pacesetters for the Men's Wear Retailing Industry**

Median, or middle, performance figures used throughout this report offer comparative guidelines for evaluating your firm's performance with that of similar firms and the industry as a whole. However, for firms seeking more aggressive growth, we've highlighted the top performance levels as reported in this survey and suggest that for some, they may serve as more challenging goals.

The sole criterion for star performers was net profit before taxes as reported by the top twenty-five percent who participated in this survey. (This accounts for the reason that no firms in the largest volume group are listed as star performers; also it is our policy not to release figures for individual firms, as is the case with the Southwest Federal Reserve District, to insure confidentiality of contributors to the Survey). In an effort to find out what contributes most to star performances, we have analyzed key criteria such as gross margin and expense categories such as payroll, rent, advertising and total expense levels. The resulting analysis indicates that no single key expense criterion was responsible for the stellar performance and while in all cases total expenses were lower than the group median performance, an exception could indicate that higher profits can still be attained through controlling gross margin.

**Gross Margin Contribution to Top Performance.** Gross margin levels reflect the effectiveness of merchandising procedures and practices. The components involved are initial markup, markdowns, shrinkage, incoming freight, net alterations costs and discounts earned. Improvements in gross margin translate into direct increases in net profits. Complete open-to-buy budgeting by classification and strict adherence to plans is the surest way to improve gross margin.

**Expense Control Contribution to Top Performance.** Controlling expenses is another major area affecting net profit. Variations between median figures for all stores within each volume group and goal figures are even more marked in expense levels than in gross margin, indicating this area provides the greatest opportunity for profit improvement. Expense savings are best achieved by detailed budgeting of each item by month. A prompt analysis and thorough review of any figures out of line should result in early correction.

Payroll is the largest expense category and therefore worthy of most attention. Careful utilization of part-time help will keep costs down. Motivation of the entire staff is necessary in improving productivity. Selling help must be scheduled in accordance with customer traffic pattern as studied frequently. Keeping records simple and reports at a minimum, consistent with needs and efficiency, keeps non-selling payroll down.

**Merchandise Control Contribution to Top Performance.** Effective merchandise control contributes substantially to net profit. Improved turnover will result in lower markdowns, less accumulation of old goods, fewer lost sales because of balanced stocks, and an improved fashion image. Higher sales per square foot in turn results in a more exciting store, less shrinkage, lower selling cost and savings in many expense areas.

| | | MEDIAN FIGURE ▼ |
|---|---|---|
| LOWER 25% of REPORTED FIGURES | MIDDLE 50% OF REPORTED FIGURES OR RANGE OF COMMON EXPERIENCE | UPPER 25% OF REPORTED FIGURES |

## STAR PERFORMERS BY FIRM VOLUME

| | GROUP I FIRMS ANNUAL SALES UNDER $300,000 | GROUP II FIRMS ANNUAL SALES $300,000 to $499,999 | GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 | GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999 | GROUP V FIRMS ANNUAL SALES $3,500,000 and over |
|---|---|---|---|---|---|
| | (19 Firms) | (14 Firms) | (14 Firms) | (8 Firms) | (0 Firms) |
| | Goal Figure | Goal Figure | Goal Figure | Goal Figure | Goal Figure |
| Gross margin, including income from leased departments | 41.7 | 41.5 | 44.7 | 41.9 | NA |
| Total payroll | 16.4 | 16.3 | 18.5 | 16.3 | NA |
| Advertising | 2.3 | 2.4 | 2.4 | 2.7 | NA |
| Real property rentals | 4.2 | 2.9 | 3.4 | 3.9 | NA |
| Total expenses | 30.1 | 28.4 | 34.5 | 32.7 | NA |
| Net profit, before Federal income taxes | 10.9 | 10.1 | 11.6 | 8.7 | NA |

## STAR PERFORMERS BY GEOGRAPHIC AREA

| | NORTHEAST Boston, Philadelphia, New York F.R. Dist. | SOUTHEAST Richmond, Atlanta F.R. Dist. | NORTH CENTRAL Cleveland, Chicago F.R. Dist. | CENTRAL St. Louis, Minneapolis, Kansas City F.R. Dist. | SOUTHWEST Dallas F.R. Dist. | WEST San Francisco F.R. Dist. |
|---|---|---|---|---|---|---|
| | (9 Firms) | (12 Firms) | (9 Firms) | (17 Firms) | (1 Firm) | (6 Firms) |
| | Goal Figure | Goal Figure | Goal Figure | Goal Figure | Goal Figure | Goal Figure |
| Gross margin, including income from leased departments | 42.4 | 44.4 | 41.1 | 40.8 | NA | 44.6 |
| Total payroll | 16.7 | 19.6 | 17.7 | 15.6 | NA | 18.1 |
| Advertising | 2.6 | 2.3 | 2.4 | 2.6 | NA | 2.0 |
| Real property rentals | 4.5 | 2.7 | 2.9 | 3.3 | NA | 4.1 |
| Total expenses | 32.2 | 33.8 | 28.8 | 29.9 | NA | 29.5 |
| Net profit, before Federal income taxes | 9.9 | 9.9 | 10.9 | 9.2 | NA | 9.3 |

## STORE EMPLOYEES AND WHAT THEY DO

The average number of employees for the typical men's wear store continues to remain fairly constant in relation to previous years. The trend in Group V ($3,500,000 & Over) showed a significant decrease from 129 to 111 marking the greatest change in employee levels. Groups I (Under $300,000) and II ($300,000-$499,999) remained virtually unchanged with total employees for Group I moving from 3 to 4. In the smaller firms, the same individuals performed a variety of job functions while the higher volume stores were more specialized in their job responsibilities.

Part time sales help continued to be used by all firms with a slight decrease from 1978 levels.

### STORE EMPLOYEES AND WHAT THEY DO BY FIRM VOLUME

| | GROUP I FIRMS ANNUAL SALES UNDER $300,000 | GROUP II FIRMS ANNUAL SALES $300,000 to $499,999 | GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 | GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999 | GROUP V FIRMS ANNUAL SALES $3,500,000 and over |
|---|---|---|---|---|---|
| Average No. of employees | | | | | |
| Range of common experience . . . | 3-5 | 5-7 | 9-14 | 21-45 | 84-160 |
| Median . . . . . | 4 | 6 | 11 | 26 | 111 |
| General management | | | | | |
| Range of common experience . . . | 1-1 | 1-2 | 1-2 | 2-3 | 3-4 |
| Median . . . . . | 1 | 1 | 1 | 2 | 4 |
| Office personnel | | | | | |
| Range of common experience. . . . | 1-1 | 1-1 | 1-2 | 2-4 | 7-23 |
| Median . . . . . | 1 | 1 | 1 | 3 | 14 |
| Buying & merchandising | | | | | |
| Range of common experience. . . . | NA | 1-2 | 1-2 | 1-3 | 2-8 |
| Median . . . . . | NA | 1 | 1 | 2 | 5 |
| Store management | | | | | |
| Range of common experience . . . | 1-1 | 1-1 | 1-2 | 1-5 | 3-11 |
| Median . . . . . | 1 | 1 | 1 | 2 | 5 |
| Full-time sales | | | | | |
| Range of common experience . . . | 1-2 | 2-3 | 3-5 | 6-15 | 31-66 |
| Median . . . . . | 2 | 2 | 4 | 9 | 47 |
| Part-time sales | | | | | |
| Range of common experience . . . | 1-2 | 1-3 | 2-4 | 4-13 | 18-39 |
| Median . . . . . | 1 | 2 | 2 | 7 | 28 |
| Tailoring & alterations | | | | | |
| Range of common experience. . . . | 1-1 | 1-1 | 1-3 | 2-6 | 8-24 |
| Median . . . . . | 1 | 1 | 2 | 4 | 13 |
| Warehouse, delivery, maintenance | | | | | |
| Range of common experience . . . | NA | NA | 1-1 | 1-3 | 3-9 |
| Median . . . . . | NA | NA | 1 | 2 | 5 |

## HOW PRODUCTIVE ARE YOUR EMPLOYEES

In an effort to help the retailer evaluate his employees' productivity, the average number of employees working for each survey participant was divided into the key business figures of annual sales, gross margin, and operating profits. The results are an indication of your employees' contribution to the overall store profits and individual productivity. The figures represent median performance levels and are not those of the outstanding performers. In setting individual performance goals, this should be kept in mind.

Among the volume groups, Group II firms had the highest average sales per employee at $64,200 while Group I firms showed the highest profit per employee at $3,400.

Geographically, the firms located in the Northeast were the leaders in average sales per employee at $61,500 while firms located in the Central region experienced the lowest average total sales per employee at $55,800.

In the metropolitan sized groups those firms in population centers of 100,000 to 500,000 were the pacesetters in average total sales per employee at $64,000 while population areas of less than 25,000 had the highest average operating profit per employee at $3,300.

### STORE EMPLOYEES PRODUCTIVITY BY FIRM VOLUME
(In Thousands of Dollars)

| | GROUP I FIRMS ANNUAL SALES UNDER $300,000 | GROUP II FIRMS ANNUAL SALES $300,000 to $499,999 | GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 | GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999 | GROUP V FIRMS ANNUAL SALES $3,500,000 and over |
|---|---|---|---|---|---|
| Average total sales per employee | | | | | |
| Range of common experience . . . | $44.7-75.0 | $50.8-78.1 | $48.2-81.7 | $48.2-78.2 | $45.6-65.8 |
| Median . . . . . | $54.1 | $64.2 | $57.8 | $58.5 | $56.0 |
| Average gross margin per employee | | | | | |
| Range of common experience . . . | $17.2-28.2 | $20.4-29.5 | $13.0-32.2 | $19.0-32.2 | $20.0-29.8 |
| Median . . . . . | $21.6 | $24.9 | $23.5 | $23.9 | $23.8 |
| Average profit per employee | | | | | |
| Range of common experience . . . | $ .8- 6.1 | $ 1.1- 5.3 | $ .6- 3.8 | $ .3- 3.0 | $ .7- 3.2 |
| Median . . . . . | $ 3.4 | $ 3.2 | $ 2.1 | $ 1.7 | $ 2.0 |

In 1979 as compared to 1978, salesperson productivity exceeded total industry sales volume indicating, as was the case in 1978, a healthy trend in salesperson productivity. Total compensation earned per salesperson increased across the board while total selling payroll decreased to 9.7 percent from the 9.9 percent experienced in 1978.

## STORE EMPLOYEES PRODUCTIVITY BY METROPOLITAN (TRADING) AREA SIZE

(In Thousands of Dollars)

| | POPULATION Less than 25,000 | | POPULATION 25,000 to 49,999 | | POPULATION 50,000 to 99,999 | | POPULATION 100,000 to 499,999 | | POPULATION 500,000 to 999,999 | | POPULATION 1,000,000 and over | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| Average Total Sales Per Employee | $47.4-85.6 | $63.0 | $46.6-67.0 | $54.7 | $43.8-69.9 | $56.5 | $52.6-84.0 | $64.1 | $45.6-76.3 | $56.1 | $42.7-66.7 | $55.8 |
| Average Gross Margin Dollars Per Employee | $17.9-33.4 | $24.6 | $18.8-26.6 | $21.7 | $17.5-28.4 | $23.7 | $21.6-34.1 | $25.8 | $20.3-33.0 | $23.4 | $18.3-29.5 | $21.8 |
| Average Operating Profit Dollars Per Employee | $ 1.4- 4.9 | $ 3.3 | $ .5- 5.3 | $ 2.1 | $ .5- 4.1 | $ 2.2 | $ .7- 3.4 | $ 2.0 | $ .3- 3.3 | $ 1.4 | $ (.7)- 3.3 | $ .7 |



## STORE EMPLOYEES PRODUCTIVITY BY GEOGRAPHIC AREA

(In Thousands of Dollars)

| | NORTHEAST Boston, Philadelphia, New York F.R. Dist. | | SOUTHEAST Richmond, Atlanta F.R. Dist. | | NORTH CENTRAL Cleveland, Chicago F.R. Dist. | | CENTRAL St. Louis, Minneapolis, Kansas City F.R. Dist. | | SOUTHWEST Dallas F.R. Dist. | | WEST San Francisco F.R. Dist. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| Average Total Sales Per Employee | $44.5-94.6 | $61.5 | $47.2-68.4 | $59.2 | $48.3-82.0 | $61.0 | $46.0-67.5 | $55.8 | $45.2-64.0 | $58.3 | $45.6-79.6 | $57.2 |
| Average Gross Margin Dollars Per Employee | $17.9-41.3 | $25.6 | $19.3-26.4 | $22.1 | $19.3-32.1 | $23.7 | $19.1-28.8 | $22.7 | $16.1-28.7 | $24.7 | $20.3-35.2 | $26.6 |
| Average Operating Profit Dollars Per Employee | $ .6- 5.0 | $ 1.8 | $ .4- 4.7 | $ 2.2 | $ .7- 3.4 | $ 1.8 | $ .3- 4.9 | $ 2.2 | $ 1.2- 3.4 | $ 2.0 | $ 1.6- 5.6 | $ 2.5 |

## MEN'S WEAR SALESPERSON'S PRODUCTIVITY AND COMPENSATION

Today sales productivity is one of the essential keys to increasing and maintaining business profits. As the cost of selling and other business expenses continue to climb, the only way that these increases can be offset is through a commensurate improvement in individual productivity. To help MRA members measure their sales employees' performance levels, a special study of average sales and payroll cost per sales employee was undertaken.

### SALES PRODUCTIVITY BY FIRM VOLUME
(in Thousands of Dollars)

| Volume Group | AVERAGE SALES PER SALES EMPLOYEE | | AVERAGE PAY PER SALES EMPLOYEE | |
|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| Under $300,000 | $ 77.1-141.5 | $106.3 | $ 6.2- 13.1 | $ 8.1 |
| $300,000 to $499,999 | $ 88.3-175.1 | $132.4 | $ 7.5- 14.4 | $11.5 |
| $500,000 to $999,999 | $102.0-184.5 | $125.1 | $ 9.0- 16.8 | $12.1 |
| $1,000,000 to $3,499,999 | $ 94.4-179.4 | $130.4 | $ 10.6- 17.8 | $14.0 |
| $3,500,000 and over | $ 97.1-135.6 | $114.1 | $ 8.9- 14.8 | $12.3 |

### SALES PRODUCTIVITY BY GEOGRAPHICAL AREA
(in Thousands of Dollars)

| Volume Group | AVERAGE SALES PER SALES EMPLOYEE | | AVERAGE PAY PER SALES EMPLOYEE | |
|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| Northeast | $ 95.0-200.6 | $138.4 | $ 9.7- 19.1 | $12.3 |
| Southeast | $ 85.1-147.7 | $118.3 | $ 8.0- 14.2 | $11.5 |
| North Central | $102.6-185.0 | $139.8 | $ 8.2- 17.9 | $12.3 |
| Central | $ 91.6-149.4 | $116.9 | $ 7.6- 14.9 | $10.7 |
| Southwest | $ 73.6-121.0 | $ 90.5 | $ 5.1- 10.1 | $ 6.9 |
| West | $106.0-165.7 | $126.7 | $ 10.2- 16.7 | $13.1 |

### SALES PRODUCTIVITY BY METROPOLITAN (TRADING) AREA SIZE
(in Thousands of Dollars)

| Metropolitan Size | AVERAGE SALES PER SALES EMPLOYEE | | AVERAGE PAY PER SALES Employee | |
|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| Less than 25,000 | $ 81.1-183.4 | $124.3 | $ 7.5- 14.9 | $11.9 |
| 25,000 to 49,999 | $ 86.7-180.2 | $116.6 | $ 6.6- 17.8 | $ 9.8 |
| 50,000 to 99,999 | $ 90.7-172.4 | $120.6 | $ 8.8- 15.2 | $11.9 |
| 100,000 to 499,999 | $102.6-190.5 | $132.8 | $ 9.2- 18.3 | $12.2 |
| 500,000 to 999,999 | $111.7-153.5 | $126.1 | $ 9.8- 15.3 | $12.0 |
| 1,000,000 and over | $ 93.4-145.0 | $120.8 | $ 8.4- 17.0 | $12.5 |

## 1979 STORE OWNERS COMPENSATION
(in Thousands of Dollars)

| Firm Volume | Range of Common Experience | Median |
|---|---|---|
| Under $300,000 | $ 6.6-20.2 | $13.7 |
| $300,000 to $499,999 | $12.3-25.4 | $18.4 |
| $500,000 to $999,999 | $17.7-35.8 | $24.6 |
| $1,000,000 to $3,499,999 | $25.5-60.0 | $39.6 |
| $3,500,000 and over | $37.9-93.1 | $63.0 |
| | | |

| Geographical Area | Range of Common Experience | Median |
|---|---|---|
| Northeast | $18.7-46.4 | $31.8 |
| Southeast | $17.9-42.5 | $28.4 |
| North Central | $13.6-35.6 | $23.4 |
| Central | $14.0-40.7 | $24.0 |
| Southwest | $23.5-85.4 | $35.7 |
| West | $20.4-48.1 | $28.2 |

| Metropolitan Size | Range of Common Experience | Median |
|---|---|---|
| Under 25,000 | $14.9-29.7 | $19.0 |
| 25,000 to 49,000 | $11.7-33.0 | $23.4 |
| 50,000 to 99,999 | $15.9-36.5 | $21.8 |
| 100,000 to 499,999 | $24.5-53.8 | $37.7 |
| 500,000 to 999,999 | $19.5-50.0 | $35.5 |
| 1,000,000 and over | $21.0-44.1 | $29.3 |



## 1979 ALTERATION/TAILORING PERSONNEL COMPENSATION
(in Thousands of Dollars)

| Firm Volume | Range of Common Experience | Median |
|---|---|---|
| Under $300,000 | $ 2.8- 8.8 | $ 5.9 |
| $300,000 to $499,999 | $ 5.7-10.0 | $ 7.6 |
| $500,000 to $999,999 | $ 6.0-14.1 | $ 8.6 |
| $1,000,000 to $3,499,999 | $ 8.1-13.7 | $10.3 |
| $3,500,000 and over | $ 8.7-14.3 | $10.4 |
| | | |

| Geographical Area | Range of Common Experience | Median |
|---|---|---|
| Northeast | $ 6.3-13.3 | $ 8.9 |
| Southeast | $ 5.9- 9.8 | $ 8.0 |
| North Central | $ 7.3-14.6 | $10.4 |
| Central | $ 5.6-10.8 | $ 8.1 |
| Southwest | $ 8.0-14.4 | $11.0 |
| West | $ 8.0-13.8 | $10.5 |

| Metropolitan Size | Range of Common Experience | Median |
|---|---|---|
| Under 25,000 | $ 2.9-12.3 | $ 7.0 |
| 25,000 to 49,000 | $ 4.4- 8.8 | $ 6.9 |
| 50,000 to 99,999 | $ 6.1-11.6 | $ 8.1 |
| 100,000 to 499,999 | $ 8.1-14.1 | $12.0 |
| 500,000 to 999,999 | $ 8.9-12.4 | $10.3 |
| 1,000,000 and over | $ 8.1-14.2 | $10.4 |

## 1979 PROFIT AND MERCHANDISING INFORMATION FOR ALL FIRMS

Store Profits increased from 1978's level of 3.3 percent to 3.9 percent. This was accomplished despite an increase in total expenses from 35.7 percent in 1978 to 37.3 percent for 1979. The increase in net sales over the 1978 level was 2.4 percent which is down from recent yearly sales increase trends.

An analysis of the 219 firms reporting shows 27 firms reporting a loss for fiscal year 1979 or 12.3 percent of the total compared to last year's 8.6 percent. Slightly over 50 percent of all reporting firms showed profits in the 0-5 percent range. As in 1977 and 1978, 6 firms showed profits in the 16 percent and over category.

### 1979 PROFIT PERFORMANCE – ALL FIRMS

| PROFIT PERCENTAGE | NUMBER OF FIRMS | PERCENTAGE OF TOTAL FIRMS |
|---|---|---|
| Loss | 27 | 12.3% |
| 0.0- 0.9 | 23 | 10.5% |
| 1.0- 1.9 | 21 | 9.6% |
| 2.0- 2.9 | 25 | 11.4% |
| 3.0- 3.9 | 14 | 6.4% |
| 4.0- 4.9 | 25 | 11.4% |
| 5.0- 5.9 | 14 | 6.4% |
| 6.0- 6.9 | 15 | 6.8% |
| 7.0- 7.9 | 10 | 4.6% |
| 8.0- 8.9 | 11 | 5.0% |
| 9.0- 9.9 | 8 | 3.7% |
| 10.0-10.9 | 3 | 1.4% |
| 11.0-11.9 | 7 | 3.2% |
| 12.0-12.9 | 4 | 1.8% |
| 13.0-13.9 | 2 | 0.9% |
| 14.0-14.9 | 1 | 0.5% |
| 15.0-15.9 | 1 | 0.5% |
| 16.0 and over | 8 | 3.6% |
| | 219 | 100.0% |

Gross Margin including income from leased departments rose from 40.8 percent to 41.2 percent in 1979.

## MERCHANDISING

Men's suit sales for 1979 dipped from 1978 levels by 2.2 percent while sport coat sales increased by 13.3 percent in the wake of a 16.4 increase posted in 1978. Dress slacks were up 4.6 percent from 1978 and men's coats also increased substantially by 4.2 percent. The overall impact resulted in a median increase in men's clothing for 1979 of 3.1 percent in annual sales.

**MEN'S SPORTSWEAR** reflected a marked decrease showing a total 1.2 percent increase for 1979 as compared to a 7.7 increase for 1978. Decreases were realized in casual slacks, jeans, jackets and outerwear, as well as coordinated leisurewear. Increases in sport shirts, sweaters, and actionwear were marginal laying the groundwork for the minimal overall increase over 1978 figures.

**FURNISHINGS** department sales increased by 4.0 percent over 1978 levels, up from the 2.9% increase the prior year. Neckwear and dress shirts are two categories that bear significant notice. Neckwear and dress shirts increased by 7.5 % and 4.9 % respectively indicating an inelastic consumer demand for these items in relation to suit sales. The 4.0 percent increase represented the largest increase of the three major men's categories.

**BOYS AND TEENS** sales increases rose dramatically from a negative (.2) percent to a 4.0 percent increase. Women's Wear increased by 9.8 percent down from last year's 12.1 increase while Men's and Boy's Shoes dropped from a 10.6 percent increase in 1978 to a 9.8 increase for 1979.

## INVENTORY TURNOVER AND AVERAGE INITIAL MARKUP

1979 turnover figures remained essentially constant with a slight overall decrease to 1.8. Total men's clothing remained constant at 1.6 while sportswear also held at a 2.3 turn rate. Men's furnishings followed by matching 1978's rate of 1.8 percent.

Women's wear posted an increase in stock turn rate to 2.7 in relation to the 1978 rate of 2.3.

Distribution of sales remained fairly consistent with 1978 levels.

Average initial markup showed increases in all categories with an overall median increase of 1 percent to a level of 51.4 percent. The following table indicates average initial markup by major departments.

### ALL FIRMS OPERATING EXPERIENCES
### 1979 AVERAGE INITIAL MARKUP BY MERCHANDISE CLASSIFICATION*

| (Classification Numbers, 010, etc. are taken from the "Menswear Basic Management Accounting Manual" of the MRA Financial & Operations Group.) | ALL FIRMS (56 Firms) | | YOUR FIRM | FIRMS HANDLING MEN'S WEAR ONLY (33 Firms) | | FIRMS HANDLING WOMEN'S WEAR (23 Firms) | |
|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| MEN'S CLOTHING | | | | | | | |
| Total Men's Clothing ..... | 50.4-52.8 | 51.8 | _____ | 50.2-52.9 | 52.0 | 50.4-52.8 | 51.7 |
| MEN'S SPORTSWEAR | | | | | | | |
| Total Men's Sportswear ..... | 50.1-52.8 | 51.3 | _____ | 49.7-52.8 | 51.4 | 50.3-52.8 | 51.3 |
| MEN'S FURNISHINGS | | | | | | | |
| Total Men's Furnishings ..... | 49.8-52.1 | 50.9 | _____ | 49.7-52.4 | 50.8 | 49.9-52.1 | 51.0 |
| BOYS' AND TEENS' | | | | | | | |
| Total Boys' and Teens' ..... | 46.4-50.7 | 50.0 | _____ | 40.5-50.5 | 49.1 | 46.5-51.1 | 50.0 |
| MEN'S AND BOY'S SHOES | | | | | | | |
| 570-595 ..... | 48.6-52.0 | 50.0 | _____ | 49.3-52.8 | 50.9 | 48.3-50.8 | 49.3 |
| WOMEN'S WEAR | | | | | | | |
| Total Women's Wear ..... | 49.9-52.7 | 50.9 | _____ | NA | NA | 49.9-52.7 | 50.9 |
| WESTERN WEAR | | | | | | | |
| 810-890 ..... | 40.1-51.4 | 50.0 | _____ | NA | NA | 40.1-50.6 | 48.8 |
| OVERALL TOTAL ..... | 50.3-52.1 | 51.4 | _____ | 50.6-52.0 | 51.4 | 50.1-52.1 | 50.8 |

*For each merchandise classification, only those stores reporting that classification are included in the tabulation. Average Initial markup is the percent difference between the cost of goods purchased (including freight cost) and the original retail price, divided by the original retail price. For this purpose cash discounts are not subtracted.

## SHRINKAGE

A median shrinkage of 1.2 percent was posted by all firms reporting shrinkage for 1979, down from the 1.3% experience realized for 1978. Firms handling men's wear only reported a median shrinkage of 1.2 percent of net sales, also down from 1.3% experienced in 1978. Firms handling women's wear reported a median shrinkage of 1.3 percent as compared to last year's level of 1.4 percent.

Of the total shrinkage reported by all firms, men's sportswear reported the heaviest losses with a 35.1 percent of total shrinkage. The remaining shrinkage percentages were distributed among women's wear (30.3 percent), men's clothing (23.0 percent), men's furnishings (15.4 percent), boy's and teen's (12.5 percent), and men's shoes (3.6 percent).

### SHRINKAGE BY MAJOR DEPARTMENT AS A PERCENTAGE OF TOTAL SHRINKAGE

| | ALL FIRMS (32 Firms) | | |
|---|---|---|---|
| | Range of Common Experience | Median Firm | YOUR FIRM |
| Men's Clothing | 9.1-48.9 | 23.0 | _____% |
| Men's Sportswear | 22.5-55.0 | 35.1 | _____% |
| Men's Furnishings | 7.4-23.5 | 15.4 | _____% |
| Boy's and Teen's | 3.2-24.6 | 12.5 | _____% |
| Men's Shoes | 1.6- 6.5 | 3.6 | _____% |
| Women's Wear | 20.1-71.3 | 30.3 | _____% |

### LEASED DEPARTMENT SALES AS A PERCENT OF TOTAL FIRM SALES

| Leased Department | Range of Common Experience | Median |
|---|---|---|
| Shoes | 2.8-9.4 | 6.1 |
| Women's Wear | NA | NA |
| Tuxedo Rental | .6-8.6 | 4.8 |
| Miscellaneous* firm sales | NA | NA |
| Overall Total | 2.5-9.8 | 6.0 |

*Miscellaneous leased departments include hobby shops, plants, hats, men's hairpiece, beauty and barber, jewelry, luggage, and ski and sports equipment shops.

## ALL FIRMS OPERATING EXPERIENCES

### 1979 MERCHANDISING AND PRODUCTIVITY DATA

| | ALL FIRMS (219 Firms) | | | FIRMS HANDLING MEN'S WEAR ONLY (138 Firms) | | FIRMS HANDLING WOMEN'S WEAR (81 Firms) | |
|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | YOUR FIRM | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| **SALES DATA** | | | | | | | |
| Increase in total net sales from last year | (2.8)- 10.5 | 2.4 | ___% | (3.2)- 8.0 | 1.0 | (.7)- 11.9 | 4.9 |
| Sales per square foot of total store area in dollars | $72.30-138.01 | $97.93 | _____ | $72.60-122.32 | $94.60 | $71.95-155.04 | $102.49 |
| **SELLING AND ADVERTISING COST** | | | | | | | |
| Selling payroll, percent of net sales excluding leased departments | 7.8- 11.5 | 9.7 | _____ | 7.8 - 12.1 | 9.6 | 7.9 - 10.7 | 9.9 |
| Advertising percent of net sales excluding leased departments | 2.1 - 4.0 | 2.9 | _____ | 2.1 - 4.2 | 3.0 | 2.0 - 3.9 | 2.8 |
| **MERCHANDISING DATA** | | | | | | | |
| Annual stock turn, number of times at retail | 1.6 - 2.4 | 1.9 | _____ | 1.5 - 2.3 | 2.0 | 1.6 - 2.5 | 1.8 |
| Transportation in charges on goods purchased as a percent of total sales | .5 - 1.2 | .8 | _____ | .6 - 1.2 | .8 | .4 - 1.2 | .8 |
| Beginning 1979 inventory as a percent of 1978 sales | 19.4 - 31.6 | 24.5 | _____ | 19.2 - 33.0 | 24.2 | 20.6 - 30.5 | 24.8 |
| Ending 1979 inventory as a percent of 1979 sales | 17.9 - 31.6 | 25.6 | _____ | 17.7 - 32.2 | 25.9 | 17.9 - 30.0 | 25.6 |
| **ALTERATION DATA AND COST** | | | | | | | |
| Net workroom cost, percent of net sales excluding leased departments | 1.3 - 3.4 | 2.2 | _____ | 1.4 - 3.4 | 2.2 | 1.0 - 2.9 | 2.0 |
| Net alterations cost, percent of men's clothing sales | 3.1 - 7.3 | 5.6 | _____ | 1.5 - 6.8 | 4.4 | 4.0 - 8.8 | 6.3 |
| Income from alterations, percent of net sales excluding leased departments | .2 - .6 | .4 | _____ | .2 - .5 | .3 | .3 - 1.0 | .5 |
| **PROFIT AND FINANCIAL DATA** | | | | | | | |
| Income from leased departments, percent of leased departments sales | 12.3 - 26.6 | 14.6 | _____ | 12.5 - 34.6 | 16.7 | 11.9 - 15.4 | 14.0 |
| Cash discounts earned as % of net sales | .4 - 1.1 | .5 | _____ | .3 - .6 | .4 | .6 - 2.0 | 1.2 |
| Net profit on net sales | 1.1 - 7.1 | 3.9 | _____ | .7 - 6.9 | 3.8 | 1.6 - 7.2 | 4.2 |
| Net profit on net worth | 3.6 - 23.8 | 13.2 | _____ | 2.6 - 24.8 | 11.6 | 4.7 - 23.8 | 16.2 |
| Net profit on net working capital | 3.3 - 28.0 | 13.3 | | 2.0 - 24.7 | 10.4 | 4.6 - 29.3 | 15.5 |

## ALL FIRMS OPERATING EXPERIENCES

### 1979 PERCENTAGE DISTRIBUTION OF SALES WITHIN MAJOR DEPARTMENTS BY MERCHANDISE CLASSIFICATION*

| Percentage Distribution of Men's Clothing Sales By Merchandise Classification** | ALL FIRMS (102 Firms) | | YOUR FIRM | FIRMS HANDLING MEN'S WEAR ONLY (61 Firms) | | FIRMS HANDLING WOMEN'S WEAR (41 Firms) | |
|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| **MEN'S CLOTHING** | | | | | | | |
| 010 Men's Suits | 47.0-59.0 | 52.2 | ____% | 48.5-63.3 | 54.4 | 42.9-53.8 | 50.5 |
| 040 Men's Coats | 4.3- 8.4 | 6.4 | ____ | 4.3- 8.3 | 6.4 | 4.0- 8.6 | 6.6 |
| 060 Sport Coats | 15.9-28.4 | 22.4 | ____ | 14.9-26.0 | 20.1 | 20.2-29.7 | 25.6 |
| 080 Dress Slacks | 14.4-23.6 | 18.1 | ____ | 12.9-24.4 | 17.4 | 15.0-22.9 | 18.3 |
| Total Men's Clothing | | 100.0 | ____ | | 100.0 | | 100.0 |
| **PERCENTAGE DISTRIBUTION OF MEN'S SPORTSWEAR SALES BY MERCHANDISE CLASSIFICATION**** | Range of Common Experience | Median Firm | YOUR FIRM | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| **MEN'S SPORTSWEAR** | | | | | | | |
| 100 Sport Shirts | 29.1-44.8 | 34.4 | ____% | 29.9-44.8 | 37.4 | 28.5-45.2 | 33.4 |
| 130 Sweaters | 9.5-20.7 | 14.2 | ____ | 9.9-19.9 | 15.2 | 7.7-26.0 | 13.8 |
| 150 Actionwear | 1.5- 5.5 | 3.0 | ____ | 1.5- 3.6 | 2.5 | 1.6- 8.1 | 3.4 |
| 180 Casual Slacks | 7.1-21.2 | 14.0 | ____ | 9.3-22.3 | 17.9 | 6.6-19.5 | 13.1 |
| 200 Jeans | 7.3-26.4 | 14.7 | ____ | 7.8-20.1 | 14.6 | 9.9-34.1 | 21.6 |
| 220 Jackets & Heavy Outerwear | 14.8-25.7 | 18.9 | ____ | 16.1-26.2 | 19.8 | 12.0-25.3 | 18.1 |
| 240 Coordinated Leisurewear | 1.5- 6.5 | 4.1 | ____ | 1.5- 6.5 | 4.0 | 1.1- 6.4 | 4.1 |
| Total Men's Sportswear | | 100.0 | ____ | | 100.0 | | 100.0 |
| **PERCENTAGE DISTRIBUTION OF MEN'S FURNISHINGS SALES BY MERCHANDISE CLASSIFICATION**** | Range of Common Experience | Median Firm | YOUR FIRM | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| **MEN'S FURNISHINGS** | | | | | | | |
| 260 Dress Shirts | 34.7-45.1 | 40.0 | ____% | 35.4- 45.4 | 40.7 | 32.6-43.5 | 39.4 |
| 290 Neckwear | 13.9-24.2 | 18.2 | ____ | 13.2-22.1 | 17.5 | 13.9-26.0 | 20.5 |
| 300 Hosiery | 4.7- 8.0 | 5.6 | ____ | 4.7- 7.7 | 5.8 | 4.6- 8.2 | 5.5 |
| 310 Men's Belts | 4.7- 8.0 | 5.8 | ____ | 4.7- 8.7 | 6.2 | 4.5- 7.5 | 5.6 |
| 320 Men's Accessories | 10.2-19.5 | 13.6 | ____ | 10.9-19.7 | 12.8 | 8.1-20.9 | 14.6 |
| 340 Underwear | 4.7-11.5 | 8.6 | ____ | 5.1-12.3 | 8.6 | 3.9-10.7 | 8.6 |
| 360 Sleepwear | 3.8- 6.4 | 5.2 | ____ | 4.3- 6.4 | 5.4 | 2.8- 6.5 | 4.7 |
| 380 Men's Headwear | 2.7- 7.0 | 4.2 | ____ | 3.0- 7.6 | 4.6 | 2.5- 5.7 | 3.5 |
| Total Men's Furnishings | | 100.0 | ____ | | 100.0 | | 100.0 |

*For each merchandise category, only those stores reporting that category are included in the tabulation.

**Classification numbers are those used in the "Menswear Basic Management Accounting Manual."

## ALL FIRMS OPERATING EXPERIENCES

### 1979 PERCENTAGE DISTRIBUTION OF AVERAGE INVENTORY WITHIN MAJOR DEPARTMENTS BY MERCHANDISE CLASSIFICATION*

| PERCENTAGE DISTRIBUTION OF MEN'S CLOTHING SALES BY MERCHANDISE CLASSIFICATION** | ALL FIRMS (49 Firms) | | YOUR FIRM | FIRMS HANDLING MEN'S WEAR ONLY (30 Firms) | | FIRMS HANDLING WOMEN'S WEAR (19 Firms) | |
|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| MEN'S CLOTHING | | | | | | | |
| 010 Men's Suits | 50.4-61.9 | 56.0 | ____% | 50.5-63.4 | 56.7 | 49.6-59.5 | 55.2 |
| 040 Men's Coats | 4.0- 9.4 | 7.2 | ____ | 4.3- 9.5 | 7.7 | 3.1- 8.6 | 6.9 |
| 060 Sport Coats | 14.9-27.9 | 21.5 | ____ | 13.4-25.2 | 19.7 | 17.9-30.1 | 23.5 |
| 080 Dress Slacks | 9.7-21.3 | 15.2 | ____ | 9.0-22.3 | 16.1 | 12.9-17.2 | 14.7 |
| Total Men's Clothing | | 100.0% | ____ | | 100.0% | | 100.0% |
| **PERCENTAGE DISTRIBUTION OF MEN'S SPORTSWEAR SALES BY MERCHANDISE CLASSIFICATION**** | **Range of Common Experience** | **Median Firm** | **YOUR FIRM** | **Range of Common Experience** | **Median Firm** | **Range of Common Experience** | **Median Firm** |
| MEN'S SPORTSWEAR | | | | | | | |
| 100 Sport Shirts | 23.4-35.5 | 27.9 | ____% | 23.4-35.5 | 28.0 | 21.5-36.1 | 27.5 |
| 130 Sweaters | 9.9-25.7 | 16.9 | ____ | 10.6-25.3 | 16.9 | 6.9-26.6 | 15.9 |
| 150 Actionwear | 1.9- 7.4 | 4.1 | ____ | 1.5- 4.5 | 3.5 | 2.7-10.5 | 5.0 |
| 180 Casual Slacks | 9.9-24.6 | 14.9 | ____ | 8.4-24.7 | 18.5 | 10.3-23.6 | 14.5 |
| 200 Jeans | 11.3-25.6 | 17.4 | ____ | 11.4-25.6 | 15.5 | 8.6-26.1 | 17.7 |
| 220 Jackets & Heavy Outerwear | 15.9-28.3 | 22.4 | ____ | 16.9-29.1 | 23.2 | 14.4-27.6 | 21.5 |
| 240 Coordinated Leisurewear | 2.6- 8.7 | 4.1 | ____ | 2.3- 8.2 | 4.0 | 3.0- 8.7 | 6.5 |
| Total Men's Sportswear | | 100.0% | ____ | | 100.0% | | 100.0% |
| **PERCENTAGE DISTRIBUTION OF MEN'S FURNISHINGS SALES BY MERCHANDISE CLASSIFICATION**** | **Range of Common Experience** | **Median Firm** | **YOUR FIRM** | **Range of Common Experience** | **Median Firm** | **Range of Common Experience** | **Median Firm** |
| MEN'S FURNISHINGS | | | | | | | |
| 260 Dress Shirts | 33.3-46.3 | 39.5 | ____% | 33.3-45.0 | 39.0 | 31.1-51.5 | 39.8 |
| 290 Neckwear | 8.9-15.4 | 11.9 | ____ | 9.1-14.7 | 11.8 | 8.7-17.2 | 12.5 |
| 300 Hosiery | 3.8- 6.0 | 5.3 | ____ | 3.7- 5.7 | 5.2 | 3.9- 6.3 | 5.5 |
| 310 Men's Belts | 4.2- 7.7 | 5.8 | ____ | 3.7- 9.5 | 5.8 | 4.4- 7.3 | 5.8 |
| 320 Men's Accessories | 10.5-27.9 | 15.4 | ____ | 11.3-29.8 | 15.5 | 8.9-26.0 | 15.4 |
| 340 Underwear | 5.1-12.5 | 10.1 | ____ | 5.8-13.8 | 10.6 | 4.7-11.2 | 9.6 |
| 360 Sleepwear | 4.2- 8.2 | 6.3 | ____ | 4.3- 8.1 | 6.1 | 3.1- 8.9 | 7.0 |
| 380 Men's Headwear | 3.1- 6.8 | 4.6 | ____ | 2.9- 6.2 | 4.2 | 3.9- 7.9 | 5.3 |
| Total Men's Furnishings | | 100.0% | ____ | | 100.0% | | 100.0% |

*For each merchandise category, only those stores reporting that category are included in the tabulation.

**Classification numbers are those used in the "Menswear Basic Management Accounting Manual" of the MRA Financial & Operations Group.

## ALL FIRMS OPERATING EXPERIENCES

### 1979 PERCENTAGE DISTRIBUTION OF TOTAL SALES BY MERCHANDISE CLASSIFICATION*

| (Classification Numbers, 010, etc. are taken from the "Menswear Basic Management Accounting Manual" of the MRA Financial & Operations Group.) | ALL FIRMS (102 Firms) | | | FIRMS HANDLING MEN'S WEAR ONLY (61 Firms) | | FIRMS HANDLING WOMEN'S WEAR (41 Firms) | |
|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | YOUR FIRM | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| **MEN'S CLOTHING** | | | | | | | |
| 010 Men's Suits | 16.4-31.0 | 22.3 | ____% | 20.3-32.5 | 26.1 | 13.2-20.8 | 17.2 |
| 040 Men's Coats | 1.6- 4.0 | 2.8 | ____ | 1.8- 4.2 | 3.1 | 1.1- 3.9 | 2.3 |
| 060 Sport Coats | 5.7-13.3 | 9.0 | ____ | 6.4-13.7 | 9.1 | 5.0-12.2 | 8.0 |
| 080 Dress Slacks | 5.2-10.8 | 8.1 | ____ | 6.1-12.3 | 8.7 | 4.2- 9.3 | 6.5 |
| Total Men's Clothing | 31.0-54.9 | 43.0 | ____ | 40.3-59.7 | 48.5 | 24.3-49.3 | 32.5 |
| **MEN'S SPORTSWEAR** | | | | | | | |
| 100 Sport Shirts | 5.7-11.5 | 8.4 | ____ | 7.7-12.9 | 9.5 | 4.0- 8.9 | 5.7 |
| 130 Sweaters | 2.2- 4.1 | 3.2 | ____ | 2.8- 5.4 | 3.8 | 1.9- 3.2 | 2.5 |
| 150 Actionwear | .4- 1.0 | .7 | ____ | .4- 1.0 | .7 | .3- 1.1 | .6 |
| 180 Casual Slacks | 1.3- 5.7 | 3.3 | ____ | 2.3- 6.3 | 4.1 | .8- 4.7 | 2.6 |
| 200 Jeans | 2.2- 7.9 | 4.2 | ____ | 2.3- 7.6 | 4.3 | 2.1-10.6 | 3.7 |
| 220 Jackets & Heavy Outerwear | 3.1- 6.6 | 4.5 | ____ | 3.8- 7.4 | 6.0 | 1.8- 4.8 | 3.1 |
| 240 Coordinated Leisurewear | .3- 1.7 | .9 | ____ | .5- 2.2 | 1.0 | .2- 1.0 | .7 |
| Total Men's Sportswear | 14.8-33.4 | 22.5 | ____ | 20.3-35.2 | 28.2 | 10.6-26.0 | 15.2 |
| **MEN'S FURNISHINGS** | | | | | | | |
| 260 Dress Shirts | 4.4- 8.5 | 6.5 | ____ | 5.8- 9.1 | 7.1 | 3.4- 6.8 | 4.7 |
| 290 Neckwear | 2.1- 3.9 | 2.8 | ____ | 2.5 3.9 | 3.0 | 1.6- 4.2 | 2.2 |
| 300 Hosiery | .7- 1.2 | 1.0 | ____ | .8- 1.4 | 1.1 | .6- 1.0 | .8 |
| 310 Men's Belts | .7- 1.2 | 1.0 | ____ | .9- 1.5 | 1.1 | .6- 1.1 | .8 |
| 320 Men's Accessories | 1.3- 3.2 | 2.3 | ____ | 1.7- 3.5 | 2.5 | .9- 3.0 | 2.0 |
| 340 Underwear | .7- 1.8 | 1.2 | ____ | .9- 2.1 | 1.6 | .4- 1.5 | .9 |
| 360 Sleepwear | .5- 1.2 | .8 | ____ | .7- 1.3 | .9 | .3- .9 | .6 |
| 380 Men's Headwear | .5- 1.2 | .6 | ____ | .6- 1.7 | .8 | .4- .8 | .5 |
| Total Men's Furnishings | 12.8-20.1 | 16.0 | ____ | 14.4-21.7 | 18.2 | 9.0-17.1 | 13.1 |
| **BOYS' AND TEENS'** | | | | | | | |
| 400-440 Clothing | .5- 2.6 | 1.0 | ____ | .4- 3.1 | 1.0 | .5- 2.4 | .8 |
| 450-510 Sportswear | 2.0- 6.1 | 4.2 | ____ | 1.6- 6.1 | 4.5 | 1.2- 6.1 | 4.0 |
| 520-560 Furnishings | .4- 2.0 | 1.1 | ____ | .2- 2.7 | .8 | .6- 1.9 | 1.1 |
| Total Boys' and Teens' | 2.5- 8.5 | 5.3 | ____ | 3.5- 9.1 | 6.1 | 2.4- 8.0 | 4.4 |
| **MEN'S AND BOY'S SHOES** | | | | | | | |
| 570-595 | 2.4- 6.8 | 4.2 | ____ | 2.4- 5.9 | 3.8 | 2.3- 7.2 | 4.9 |
| **WOMEN'S WEAR** | | | | | | | |
| 600-699 Misses | 6.2-29.6 | 15.1 | ____ | NA | NA | 6.2-29.6 | 15.1 |
| 700-799 Junior | 8.8-25.7 | 18.6 | ____ | NA | NA | 8.8-25.7 | 18.6 |
| Total Women's Wear | 8.3-33.8 | 22.2 | ____ | NA | NA | 8.3-33.8 | 22.2 |
| **WESTERN WEAR** | | | | | | | |
| 810-890 | .5-21.7 | 2.9 | ____ | NA | NA | .5-21.7 | 2.9 |
| **OVERALL TOTAL** | | 100.0 | ____ | | 100.0 | | 100.0 |

*For each merchandise classification, only those stores reporting that classification are included in the tabulation.

## ALL FIRMS OPERATING EXPERIENCES

### PERCENTAGE INCREASE OR (DECREASE) IN SALES BY MERCHANDISE CLASSIFICATION FROM 1978 TO 1979*

| (Classification Numbers, 010, etc. are taken from the "Menswear Basic Management Accounting Manual" of the MRA Financial & Operations Group.) | ALL FIRMS (83 Firms) | | | FIRMS HANDLING MEN'S WEAR ONLY (49 Firms) | | FIRMS HANDLING WOMEN'S WEAR (34 Firms) | |
|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | YOUR FIRM | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| **MEN'S CLOTHING** | | | | | | | |
| 010 Men's Suits | (7.8)- 5.0 | (2.2) | _____% | (8.1)- 6.6 | (2.2) | (7.2)- 3.0 | (2.0) |
| 040 Men's Coats | (9.5)-14.6 | 4.2 | _____ | (5.9)-21.7 | 4.3 | (11.6)-10.0 | .4 |
| 060 Sport Coats | 3.3 -27.4 | 13.3 | _____ | 6.9 29.8 | 16.4 | (1.3)-19.6 | 9.4 |
| 080 Dress Slacks | (2.0)-12.2 | 4.6 | _____ | (1.7)-14.4 | 5.4 | (3.0)- 8.0 | 4.3 |
| Total Men's Clothing | (3.7)- 9.2 | 3.1 | _____ | (3.0)- 9.9 | 4.6 | (3.7)- 8.6 | 1.5 |
| **MEN'S SPORTSWEAR** | | | | | | | |
| 100 Sport Shirts | (6.9)-11.0 | .5 | _____ | (6.9)-10.1 | (1.7) | (6.2)-12.3 | 2.3 |
| 130 Sweaters | (6.5)-16.6 | 2.9 | _____ | (5.0)-19.3 | 2.9 | (7.6)-16.6 | 3.7 |
| 150 Actionwear | (20.3)-13.9 | .1 | _____ | (25.0)-12.4 | (3.5) | (14.3)-17.9 | 7.2 |
| 180 Casual Slacks | (10.3)-14.3 | (1.3) | _____ | (8.5)- 7.5 | (1.3) | (16.3)-18.3 | .3 |
| 200 Jeans | (17.5)- 4.9 | (2.3) | _____ | (15.7)- 7.6 | (2.3) | (19.8)- 4.4 | (4.1) |
| 220 Jackets & Heavy Outerwear | (10.9)- 7.9 | (2.4) | _____ | (9.3)-10.8 | (2.3) | (12.3)- 6.8 | (2.6) |
| 240 Coordinated Leisurewear | (40.2)-39.4 | (11.2) | _____ | (40.2)- 3.1 | (11.9) | (37.4)-63.9 | 10.7 |
| Total Men's Sportswear | (4.7)- 7.4 | 1.2 | _____ | (6.5)- 9.1 | .2 | (4.7)- 7.4 | 3.5 |
| **MEN'S FURNISHINGS** | | | | | | | |
| 260 Dress Shirts | (1.1)-12.8 | 4.9 | _____ | (1.7)-14.9 | 5.2 | (1.8)-10.9 | 3.8 |
| 290 Neckwear | .3 -14.3 | 7.5 | _____ | (1.7)-15.5 | 6.9 | 1.4 -11.6 | 9.2 |
| 300 Hosiery | (4.6)-13.3 | 3.5 | _____ | (6.1)-12.7 | 3.5 | (2.9)-15.6 | 3.7 |
| 310 Men's Belts | (5.9)-10.8 | 1.4 | _____ | (2.0)-19.1 | 7.2 | (8.5)- 4.1 | (1.9) |
| 320 Men's Accessories | (7.3)-16.7 | 3.9 | _____ | (8.0)-16.4 | 3.5 | (4.8)-18.0 | 4.9 |
| 340 Underwear | (7.5)-11.2 | (1.5) | _____ | (7.5)-12.5 | 2.1 | (8.2)- 7.0 | (3.4) |
| 360 Sleepwear | (11.1)-13.8 | (2.5) | _____ | (5.9)-21.2 | 3.4 | (15.0)-13.8 | (5.8) |
| 380 Men's Headwear | (5.0)-15.7 | 5.2 | _____ | (5.0)-12.8 | 5.1 | (7.3)-18.3 | 5.9 |
| Total Men's Furnishings | (1.5)-10.2 | 4.0 | _____ | (1.8)-10.6 | 4.0 | .2 - 9.5 | 3.9 |
| **BOYS' AND TEENS'** | | | | | | | |
| 400-440 Clothing | (19.2)-10.0 | (5.0) | _____ | (27.3)- 9.8 | (4.7) | (13.7)-10.1 | (5.0) |
| 450-510 Sportswear | (15.0)-17.7 | 4.0 | _____ | (18.1)-11.6 | 3.6 | (15.7)-29.9 | 5.7 |
| 520-560 Furnishings | (5.1)-22.1 | 2.8 | _____ | (13.3)-30.4 | .3 | (3.4)-26.0 | 12.5 |
| Total Boys' and Teens' | (7.2)-11.4 | 4.0 | _____ | (11.2)- 5.5 | (1.2) | (4.3)-18.1 | 5.7 |
| **MEN'S AND BOY'S SHOES** | | | | | | | |
| 570-595 | (5.0)-24.6 | 6.7 | _____ | (7.9)-30.8 | 10.1 | (3.3)-21.2 | 4.9 |
| **WOMEN'S WEAR** | | | | | | | |
| 600-699 Misses | 4.5 -47.3 | 19.1 | _____ | NA | NA | 4.5 -47.3 | 19.1 |
| 700-799 Junior | (11.8)-17.2 | 7.0 | _____ | NA | NA | (11.8)-17.2 | 7.0 |
| Total Women's Wear | 3.8 -42.8 | 9.8 | _____ | NA | NA | 3.8 -42.8 | 9.8 |
| **WESTERN WEAR** | | | | | | | |
| 810-890 | 3.9 -33.3 | 15.9 | _____ | NA | NA | 3.9 -33.3 | 15.9 |
| **OVERALL TOTAL** | (2.5)- 8.3 | 3.7 | _____ | (2.5)- 7.3 | 3.4 | (2.3)- 9.5 | 4.3 |

*For each merchandise classification, only those stores reporting that classification are included in the tabulation.

## ALL FIRMS OPERATING EXPERIENCES

### 1979 MARKDOWNS AS A PERCENTAGE OF MERCHANDISE CLASSIFICATION SALES*

| (Classification Numbers, 010, etc. are taken from the "Menswear Basic Management Accounting Manual" of the MRA Financial & Operations Group.) | ALL FIRMS (63 Firms) | | | FIRMS HANDLING MEN'S WEAR ONLY (37 Firms) | | FIRMS HANDLING WOMEN'S WEAR (26 Firms) | |
|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | YOUR FIRM | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| **MEN'S CLOTHING** | | | | | | | |
| 010 Men's Suits | 9.6-19.6 | 15.6 | ____% | 9.6-18.9 | 12.8 | 9.1-21.9 | 16.6 |
| 040 Men's Coats | 5.1-15.7 | 10.2 | ____ | 5.5-14.7 | 9.7 | 4.1-16.7 | 10.3 |
| 060 Sport Coats | 8.5-20.3 | 13.3 | ____ | 7.4-17.9 | 12.8 | 9.2-22.5 | 13.3 |
| 080 Dress Slacks | 5.0-12.6 | 7.7 | ____ | 4.7-12.1 | 7.5 | 5.5-12.6 | 8.6 |
| Total Men's Clothing | 8.5-16.9 | 12.6 | ____ | 8.4-15.8 | 12.4 | 8.6-19.1 | 14.1 |
| **MEN'S SPORTSWEAR** | | | | | | | |
| 100 Sport Shirts | 7.0-14.2 | 10.4 | ____ | 5.8-13.5 | 9.0 | 7.3-17.9 | 11.5 |
| 130 Sweaters | 7.5-16.9 | 10.9 | ____ | 7.8-18.5 | 13.3 | 6.6-15.5 | 10.1 |
| 150 Activewear | 11.6-27.9 | 17.1 | ____ | 10.1-26.2 | 19.3 | 13.1-31.4 | 17.1 |
| 180 Casual Slacks | 6.4-14.7 | 9.5 | ____ | 7.4-14.7 | 9.4 | 4.9-15.1 | 9.7 |
| 200 Jeans | 3.5-18.2 | 6.9 | ____ | 4.3-19.1 | 8.8 | 3.0-16.0 | 6.5 |
| 220 Jackets & Heavy Outerwear | 8.8-17.2 | 13.7 | ____ | 8.7-17.1 | 13.3 | 10.3-17.9 | 13.7 |
| 240 Coordinated Leisurewear | 15.7-41.9 | 22.3 | ____ | 12.4-32.7 | 21.9 | 19.1-50.7 | 22.9 |
| Total Men's Sportswear | 8.0-14.8 | 11.6 | ____ | 7.8-14.3 | 10.5 | 9.0-17.2 | 12.6 |
| **MEN'S FURNISHINGS** | | | | | | | |
| 260 Dress Shirts | 7.2-14.5 | 9.2 | ____ | 7.0-14.2 | 8.8 | 7.6-15.7 | 10.1 |
| 290 Neckwear | 4.2-12.7 | 9.2 | ____ | 4.2-11.5 | 8.9 | 4.2-14.2 | 9.4 |
| 300 Hosiery | 1.3- 5.0 | 3.0 | ____ | 2.1- 5.2 | 3.8 | .7- 4.8 | 2.2 |
| 310 Men's Belts | 1.8- 7.5 | 3.6 | ____ | 1.9- 7.8 | 3.8 | 1.7- 6.4 | 3.4 |
| 320 Men's Accessories | 2.6- 8.6 | 4.2 | ____ | 1.9- 7.9 | 4.0 | 2.9- 9.8 | 5.0 |
| 340 Underwear | .3- 5.3 | 2.8 | ____ | 1.3- 6.5 | 3.6 | .1- 3.8 | 1.9 |
| 360 Sleepwear | 2.4- 9.2 | 4.1 | ____ | 1.0- 8.9 | 4.3 | 2.8-10.2 | 3.7 |
| 380 Men's Headwear | 3.5-15.7 | 9.3 | ____ | 3.4-18.4 | 9.1 | 4.0-14.0 | 10.4 |
| Total Men's Furnishings | 5.1-11.0 | 7.6 | ____ | 5.1-10.3 | 7.6 | 4.9-11.5 | 7.7 |
| **BOYS' AND TEENS'** | | | | | | | |
| 400-440 Clothing | 6.3-19.2 | 14.1 | ____ | 6.2-19.3 | 14.5 | 6.3-18.8 | 10.8 |
| 450-510 Sportswear | 7.5-21.0 | 15.8 | ____ | 9.7-20.5 | 19.0 | 6.4-21.6 | 14.8 |
| 520-560 Furnishings | 2.6-18.0 | 9.3 | ____ | 1.2-24.3 | 19.3 | 2.6-11.9 | 7.3 |
| Total Boys' and Teens' | 6.4-19.8 | 13.0 | ____ | 9.8-20.8 | 16.5 | 6.2-15.6 | 12.6 |
| **MEN'S AND BOY'S SHOES** | | | | | | | |
| 570-595 | 5.5-17.9 | 10.0 | ____ | 5.6-18.5 | 9.9 | 4.2-17.9 | 10.8 |
| **WOMEN'S WEAR** | | | | | | | |
| 600-699 Misses | 11.0-21.0 | 17.4 | ____ | NA | NA | 11.0-21.0 | 17.4 |
| 700-799 Junior | 13.4-26.6 | 18.7 | ____ | NA | NA | 13.4-26.6 | 18.7 |
| Total Women's Wear | 11.6-21.0 | 17.4 | ____ | NA | NA | 11.6-21.0 | 17.4 |
| **WESTERN WEAR** | | | | | | | |
| 810-890 | .0-11.7 | 5.9 | ____ | NA | NA | .0-11.7 | 5.9 |
| **OVERALL TOTAL** | 9.0-15.5 | 11.5 | ____ | 8.4-14.3 | 10.3 | 9.3-16.6 | 13.0 |

*For each merchandise classification, only those stores reporting that classification are included in the tabulation.

## ALL FIRMS OPERATING EXPERIENCES

### 1979 ENDING INVENTORY BY MERCHANDISE CLASSIFICATION AS A PERCENTAGE OF TOTAL ENDING INVENTORY*

| (Classification Numbers, 010, etc. are taken from the "Menswear Basic Management Accounting Manual" of the MRA Financial & Operations Group.) | ALL FIRMS (49 Firms) | | YOUR FIRM | FIRMS HANDLING MEN'S WEAR ONLY (30 Firms) | | FIRMS HANDLING WOMEN'S WEAR (19 Firms) | |
|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| **MEN'S CLOTHING** | | | | | | | |
| 010 Men's Suits | 18.7-35.5 | 25.3 | _____% | 19.9-37.9 | 29.1 | 16.4-30.1 | 23.2 |
| 040 Men's Coats | 1.7- 4.8 | 3.3 | _____ | 1.8- 6.2 | 3.7 | 1.1- 4.5 | 3.1 |
| 060 Sport Coats | 6.6-13.8 | 9.9 | _____ | 7.0-13.3 | 9.9 | 5.3-14.8 | 8.7 |
| 080 Dress Slacks | 4.5-10.1 | 7.9 | _____ | 4.8-11.0 | 8.0 | 4.1- 9.3 | 6.0 |
| Total Men's Clothing | 37.7-64.5 | 46.0 | _____ | 40.4-64.6 | 51.3 | 32.0-46.0 | 37.7 |
| **MEN'S SPORTSWEAR** | | | | | | | |
| 100 Sport Shirts | 3.6- 8.7 | 6.0 | _____ | 5.0- 9.3 | 6.7 | 2.5- 8.2 | 4.4 |
| 130 Sweaters | 1.9- 4.2 | 3.2 | _____ | 2.5- 5.0 | 3.6 | 1.4- [illegible] | 2.5 |
| 150 Actionwear | .4- 1.2 | .7 | _____ | .4- 1.2 | .7 | [illegible] | .7 |
| 180 Casual Slacks | 1.3- 5.7 | 2.8 | _____ | 2.0- 6.3 | 3.8 | 1.0- 4.2 | 2.3 |
| 200 Jeans | 2.2- 7.1 | 3.7 | _____ | 2.7- 8.2 | 3.8 | 1.4- 6.1 | 3.1 |
| 220 Jackets & Heavy Outerwear | 2.7- 6.4 | 4.2 | _____ | 3.7- 6.7 | 4.8 | 1.4- 4.7 | 3.0 |
| 240 Coordinated Leisurewear | .5- 1.8 | .9 | _____ | .7- 1.9 | 1.1 | .4- 1.4 | .8 |
| Total Men's Sportswear | 12.6-29.0 | 20.6 | _____ | 14.4-30.0 | 24.1 | 10.6-25.7 | 13.1 |
| **MEN'S FURNISHINGS** | | | | | | | |
| 260 Dress Shirts | 4.3- 7.6 | 5.9 | _____ | 4.7- 8.9 | 6.7 | 3.7- 6.9 | 5.0 |
| 290 Neckwear | 1.3- 2.5 | 1.9 | _____ | 1.6- 2.8 | 2.3 | 1.0- 2.3 | 1.4 |
| 300 Hosiery | .5- 1.0 | .7 | _____ | .6- 1.1 | .9 | .4- .7 | .7 |
| 310 Men's Belts | .6- 1.3 | .8 | _____ | .6- 1.9 | 1.0 | .5- 1.0 | .8 |
| 320 Men's Accessories | 1.6- 4.5 | 2.4 | _____ | 1.8- 5.7 | 2.6 | 1.2- 3.5 | 2.2 |
| 340 Underwear | .8- 2.2 | 1.4 | _____ | .9- 2.6 | 1.8 | .5- 1.5 | .9 |
| 360 Sleepwear | .5- 1.4 | .8 | _____ | .7- 1.6 | .9 | .4- 1.1 | .7 |
| 380 Men's Headwear | .5- 1.1 | .7 | _____ | .4- 1.4 | .7 | .5- .9 | .6 |
| Total Men's Furnishings | 12.5-18.6 | 14.5 | _____ | 13.1-20.8 | 17.8 | 11.4-14.4 | 13.0 |
| **BOYS' AND TEENS'** | | | | | | | |
| 400-440 Clothing | .5- 3.3 | 1.1 | _____ | .7- 2.1 | 1.0 | .4- 4.0 | 2.5 |
| 450-510 Sportswear | 1.1- 7.4 | 3.4 | _____ | .6-14.1 | 2.9 | 1.8- 6.7 | 4.0 |
| 520-560 Furnishings | .5- 2.3 | 1.3 | _____ | .3- 2.2 | 1.9 | .5- 2.3 | 1.3 |
| Total Boys' and Teens' | 3.0- 9.8 | 5.2 | _____ | 2.2- 7.9 | 4.2 | 3.7-11.1 | 6.1 |
| **MEN'S AND BOY'S SHOES** | | | | | | | |
| 570-595 | 3.8-10.4 | 5.6 | _____ | 3.5- 8.0 | 5.0 | 4.4-10.7 | 7.1 |
| **WOMEN'S WEAR** | | | | | | | |
| 600-699 Misses | 8.2-21.1 | 16.1 | _____ | NA | NA | 8.2-21.1 | 16.1 |
| 700-799 Junior | 4.1-19.0 | 8.1 | _____ | NA | NA | 4.1-19.0 | 8.1 |
| Total Women's Wear | 7.3-26.3 | 16.9 | _____ | NA | NA | 7.3-26.3 | 16.9 |
| **WESTERN WEAR** | | | | | | | |
| 810-890 | 1.6-19.0 | 4.8 | _____ | NA | NA | 1.6-19.0 | 4.8 |
| **OVERALL TOTAL** | | 100.0% | _____ | | 100.0% | | 100.0% |

*For each merchandise classification, only those stores reporting that classification are included in the tabulation.

## ALL FIRMS OPERATING EXPERIENCES

### 1979 INVENTORY TURNOVER BY MERCHANDISE CLASSIFICATION*

| (Classification Numbers, 010, etc. are taken from the "Menswear Basic Management Accounting Manual" of the MRA Financial & Operations Group.) | ALL FIRMS (49 Firms) | | YOUR FIRM | FIRMS HANDLING MEN'S WEAR ONLY (30 Firms) | | FIRMS HANDLING WOMEN'S WEAR (19 Firms) | |
|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| **MEN'S CLOTHING** | | | | | | | |
| 010 Men's Suits | 1.1- 2.2 | 1.5 | _____ | 1.1- 2.4 | 1.6 | 1.0- 2.2 | 1.2 |
| 040 Men's Coats | 1.3- 2.1 | 1.8 | _____ | 1.1- 2.1 | 1.8 | 1.3- 2.0 | 1.7 |
| 060 Sport Coats | 1.2- 2.1 | 1.6 | _____ | 1.2- 2.2 | 1.7 | 1.2- 2.1 | 1.4 |
| 080 Dress Slacks | 1.4- 2.4 | 1.9 | _____ | 1.4- 2.6 | 2.0 | .7- 2.1 | 1.6 |
| Total Men's Clothing | 1.2- 2.3 | 1.6 | _____ | 1.2- 2.4 | 1.6 | 1.2- 2.2 | 1.4 |
| **MEN'S SPORTSWEAR** | | | | | | | |
| 100 Sport Shirts | 2.3- 3.4 | 2.9 | _____ | 2.3- 4.0 | 2.8 | 2.2- 3.3 | 3.1 |
| 130 Sweaters | 1.3- 2.7 | 2.1 | _____ | 1.7- 2.6 | 2.2 | 1.2- 2.8 | 2.1 |
| 150 Actionwear | 1.1- 2.4 | 1.7 | _____ | 1.1- 2.3 | 1.7 | 1.1- 2.5 | 1.7 |
| 180 Casual Slacks | 1.4- 2.8 | 2.0 | _____ | 1.6- 2.9 | 2.7 | 1.4- 2.3 | 1.7 |
| 200 Jeans | 1.5- 3.1 | 2.3 | _____ | 1.4- 3.2 | 2.7 | 1.4- 2.4 | 1.8 |
| 220 Jackets & Heavy Outerwear | 1.4- 2.6 | 2.0 | _____ | 1.3- 2.9 | 1.9 | 1.5- 2.5 | 2.0 |
| 240 Coordinated Leisurewear | 1.1- 3.4 | 1.8 | _____ | 1.1- 3.5 | 2.0 | 1.1- 2.7 | 1.7 |
| Total Men's Sportswear | 1.8- 2.9 | 2.3 | _____ | 1.8- 3.1 | 2.2 | 1.7- 2.7 | 2.3 |
| **MEN'S FURNISHINGS** | | | | | | | |
| 260 Dress Shirts | 1.3- 2.4 | 1.8 | _____ | 1.3- 2.4 | 1.8 | 1.3- 2.4 | 1.6 |
| 290 Neckwear | 2.0- 3.7 | 2.6 | _____ | 2.0- 3.7 | 2.6 | 2.1- 4.1 | 2.7 |
| 300 Hosiery | 1.9- 2.7 | 2.3 | _____ | 2.0- 2.8 | 2.4 | 1.8- 2.6 | 2.2 |
| 310 Men's Belts | 1.4- 2.3 | 1.8 | _____ | 1.4- 2.3 | 1.8 | 1.1- 2.5 | 1.6 |
| 320 Men's Accessories | 1.4- 2.3 | 1.7 | _____ | 1.3- 2.2 | 1.6 | 1.5- 2.5 | 1.8 |
| 340 Underwear | 1.2- 1.9 | 1.5 | _____ | 1.2- 1.7 | 1.4 | 1.2- 2.1 | 1.6 |
| 360 Sleepwear | 1.2- 2.2 | 1.6 | _____ | 1.3- 2.2 | 1.6 | 1.2- 2.4 | 1.7 |
| 380 Men's Headwear | 1.2- 2.3 | 1.7 | _____ | 1.1- 2.8 | 2.0 | 1.3- 1.9 | 1.6 |
| Total Men's Furnishings | 1.5- 2.3 | 1.8 | _____ | 1.4- 2.3 | 1.8 | 1.5- 2.5 | 1.8 |
| **BOYS' AND TEENS'** | | | | | | | |
| 400-440 Clothing | 1.1- 2.0 | 1.4 | _____ | 1.1- 2.2 | 1.3 | 1.0- 2.0 | 1.5 |
| 450-510 Sportswear | 1.4- 2.6 | 2.1 | _____ | 1.3- 2.3 | 1.9 | 1.5- 3.0 | 2.4 |
| 520-560 Furnishings | .9- 1.9 | 1.4 | _____ | .7- 1.4 | .9 | 1.3- 2.1 | 1.8 |
| Total Boys' and Teens' | 1.3- 2.2 | 1.7 | _____ | 1.4- 1.9 | 1.5 | 1.2- 2.4 | 1.9 |
| **MEN'S AND BOY'S SHOES** | | | | | | | |
| 570-595 | 1.1- 1.8 | 1.3 | _____ | 1.1- 1.8 | 1.3 | 1.1- 1.8 | 1.3 |
| **WOMEN'S WEAR** | | | | | | | |
| 600-699 Misses | 2.0- 3.6 | 2.4 | _____ | NA | NA | 2.0- 3.6 | 2.4 |
| 700-799 Junior | 2.0- 3.5 | 2.9 | _____ | NA | NA | 2.0- 3.5 | 2.9 |
| Total Women's Wear | 2.0- 3.5 | 2.7 | _____ | NA | NA | 2.0- 3.5 | 2.7 |
| **WESTERN WEAR** | | | | | | | |
| 810-890 | 1.9- 3.7 | 2.4 | _____ | NA | NA | 1.9- 3.7 | 2.4 |
| **OVERALL TOTAL** | 1.5- 2.3 | 1.8 | _____ | 1.4- 2.4 | 1.8 | 1.6- 2.4 | 1.8 |

*For each merchandise classification, only those stores reporting that classification are included in the tabulation. Inventory turnover is the number of times during a given period, in this case one year, that the average inventory on hand at retail has been sold and replaced. The rate of turnover is computed by dividing net sales by average retail inventory.

## BEGINNING OF THE MONTH

## STOCK TO SALES RATIO

Stock to sales ratios are computed by dividing beginning of the month stocks (at retail) by net sales for the month. This ratio is widely used to determine stock levels needed to support monthly sales plans. Discovering the appropriate ratio for any given month requires a review of a firm's past net sales and past beginning of the month stock levels for that month. Once a ratio for a particular month has been determined it can be used to plan beginning of the month retail stock needs by multiplying it times projected sales for the month.

The following stock to sales ratios represent industry experiences for 1979. Caution, however, **should be exercised in using these figures as a guideline in projecting monthly inventory needs.** These industry ratios do not necessarily represent monthly inventory levels which will yield the highest inventory turnover and greatest profits.

| GROUP I FIRMS ANNUAL SALES UNDER $300,000 | Distribution of Sales by Month (13 Firms) | | YOUR FIRM | | Beginning of the Month Stock to Sales Ratio (5 Firms) | |
|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Sales | Stock to Sales Ratio | Range of Common Experience | Median Firm |
| January | 5.9-10.0 | 6.6 | ___% | ___ | 4.5-15.4 | 8.1 |
| February | 5.0- 7.0 | 6.5 | ___ | ___ | 5.0-15.6 | 7.0 |
| March | 5.7- 6.8 | 6.2 | ___ | ___ | 5.8-13.7 | 8.2 |
| April | 6.0- 8.1 | 6.9 | ___ | ___ | 4.3-16.0 | 6.8 |
| May | 6.4- 8.3 | 6.9 | ___ | ___ | 4.5-14.9 | 5.6 |
| June | 6.7- 8.7 | 7.7 | ___ | ___ | 4.3-15.4 | 7.1 |
| July | 6.3- 9.3 | 7.2 | ___ | ___ | 4.1-12.8 | 7.9 |
| August | 6.1- 8.0 | 7.2 | ___ | ___ | 4.9-16.0 | 7.5 |
| September | 6.2- 8.0 | 6.8 | ___ | ___ | 5.3-17.2 | 7.9 |
| October | 7.2- 8.7 | 7.9 | ___ | ___ | 4.7-13.6 | 8.5 |
| November | 8.6-11.2 | 9.6 | ___ | ___ | 4.2-12.1 | 5.7 |
| December | 15.5-18.8 | 18.2 | ___ | ___ | 2.2- 4.7 | 4.1 |
| TOTAL | | 100.0% | 100.0% | | | |

| GROUP II FIRMS ANNUAL SALES $300,000 to $499,999 | Distribution of Sales by Month (12 Firms) | | YOUR FIRM | | Beginning of the Month Stock to Sales Ratio (9 Firms) | |
|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Sales | Stock to Sales Ratio | Range of Common Experience | Median Firm |
| January | 6.7- 7.6 | 7.2 | ___% | ___ | 5.6- 8.7 | 7.4 |
| February | 4.8- 6.7 | 5.5 | ___ | ___ | 5.4-11.0 | 7.7 |
| March | 5.5- 6.6 | 5.7 | ___ | ___ | 4.9-11.7 | 6.6 |
| April | 6.3- 8.5 | 7.4 | ___ | ___ | 4.7-10.9 | 6.0 |
| May | 6.5- 8.2 | 7.2 | ___ | ___ | 4.6-11.4 | 7.3 |
| June | 7.7- 8.8 | 8.2 | ___ | ___ | 3.8- 8.3 | 7.0 |
| July | 6.3- 9.1 | 7.4 | ___ | ___ | 5.2- 8.8 | 6.4 |
| August | 6.2- 8.5 | 7.1 | ___ | ___ | 5.0-10.0 | 7.3 |
| September | 6.2- 7.8 | 7.2 | ___ | ___ | 5.2-11.3 | 7.1 |
| October | 7.0- 8.8 | 7.7 | ___ | ___ | 6.0-10.4 | 7.3 |
| November | 8.7-11.8 | 9.5 | ___ | ___ | 4.6- 9.4 | 5.8 |
| December | 16.7-20.5 | 18.7 | ___ | ___ | 2.6- 4.9 | 3.1 |
| TOTAL | | 100.0% | 100.0% | | | |

## BEGINNING OF THE MONTH STOCK TO SALES RATIO

| GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 | Distribution of Sales by Month (28 Firms) | | YOUR FIRM | | Beginning of the Month Stock to Sales Ratio (20 Firms) | |
|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Sales | Stock to Sales Ratio | Range of Common Experience | Median Firm |
| January | 6.7-10.4 | 9.1 | ___% | ___ | 4.8- 7.3 | 6.4 |
| February | 5.2- 6.2 | 5.6 | ___ | ___ | 6.6-12.2 | 8.9 |
| March | 5.5- 7.3 | 6.4 | ___ | ___ | 5.9-11.8 | 8.5 |
| April | 6.3- 7.8 | 6.6 | ___ | ___ | 6.5-12.1 | 7.7 |
| May | 6.4- 7.9 | 6.9 | ___ | ___ | 6.8-10.0 | 9.0 |
| June | 7.0- 8.1 | 7.6 | ___ | ___ | 6.0- 9.7 | 8.4 |
| July | 6.6- 8.7 | 7.6 | ___ | ___ | 6.8- 8.7 | 7.2 |
| August | 5.5- 7.2 | 6.4 | ___ | ___ | 7.4-11.7 | 9.2 |
| September | 6.5- 7.4 | 6.8 | ___ | ___ | 6.5-10.8 | 9.5 |
| October | 7.6-10.0 | 8.9 | ___ | ___ | 6.0-10.1 | 8.1 |
| November | 8.7-11.0 | 9.7 | ___ | ___ | 5.8- 9.1 | 6.8 |
| December | 14.3-18.0 | 15.9 | ___ | ___ | 3.5- 5.6 | 4.5 |
| TOTAL | | 100.0% | 100.0% | | | |

| GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999 | Distribution of Sales by Month (31 Firms) | | YOUR FIRM | | Beginning of the Month Stock to Sales Ratio (27 Firms) | |
|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Sales | Stock to Sales Ratio | Range of Common Experience | Median Firm |
| January | 7.2- 9.9 | 8.5 | ___% | ___ | 4.1- 8.1 | 6.6 |
| Febuary | 4.4- 6.7 | 5.7 | ___ | ___ | 6.3-11.0 | 7.5 |
| March | 5.5- 6.8 | 6.2 | ___ | ___ | 5.9-11.5 | 7.6 |
| April | 5.9- 7.8 | 7.1 | ___ | ___ | 6.5- 9.5 | 8.0 |
| May | 6.5- 7.5 | 7.0 | ___ | ___ | 6.5- 9.2 | 8.1 |
| June | 7.0- 8.3 | 7.7 | ___ | ___ | 6.1- 8.8 | 7.4 |
| July | 6.4- 8.4 | 7.3 | ___ | ___ | 6.2- 8.3 | 7.3 |
| August | 5.4- 7.5 | 6.1 | ___ | ___ | 6.2-10.5 | 7.4 |
| September | 6.4- 7.6 | 7.0 | ___ | ___ | 6.6-10.2 | 8.6 |
| October | 7.9- 9.4 | 8.6 | ___ | ___ | 6.5- 8.8 | 7.5 |
| November | 8.7-11.5 | 10.2 | ___ | ___ | 5.2- 9.1 | 6.8 |
| December | 15.4-18.5 | 17.3 | ___ | ___ | 3.2- 5.1 | 3.6 |
| TOTAL | | 100.0% | 100.0% | | | |

| GROUP V FIRMS ANNUAL SALES $3,500,000 AND OVER | Distribibution of Sales by Month (9 Firms) | | YOUR FIRM | | Beginning of the Month Stock to Sales Ratio (9 Firms) | |
|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Sales | Stock to Sales Ratio | Range of Common Experience | Median Firm |
| January | 6.5- 8.4 | 7.4 | ___% | ___ | 6.6- 8.3 | 7.3 |
| February | 4.8- 6.6 | 6.0 | ___ | ___ | 5.1-10.5 | 7.6 |
| March | 6.0- 8.8 | 6.6 | ___ | ___ | 5.0-11.5 | 6.4 |
| April | 6.4- 8.2 | 7.7 | ___ | ___ | 5.6-11.9 | 6.1 |
| May | 5.9- 7.6 | 6.4 | ___ | ___ | 7.3-10.0 | 7.9 |
| June | 7.0- 8.9 | 7.7 | ___ | ___ | 5.0- 9.5 | 6.6 |
| July | 6.2- 8.9 | 7.9 | ___ | ___ | 6.1- 8.7 | 7.1 |
| August | 6.3- 8.6 | 7.3 | ___ | ___ | 5.5- 7.9 | 6.3 |
| September | 6.2-10.7 | 7.7 | ___ | ___ | 4.4-10.8 | 8.0 |
| October | 7.6- 9.2 | 8.0 | ___ | ___ | 5.5- 9.7 | 7.0 |
| November | 8.1-10.3 | 9.7 | ___ | ___ | 5.8- 8.5 | 6.8 |
| December | 15.2-18.1 | 16.7 | ___ | ___ | 3.4- 4.7 | 4.1 |
| TOTAL | | 100.0% | 100.0% | | | |

## ALL FIRMS OPERATING EXPERIENCES

### 1979 BEGINNING OF THE MONTH STOCK TO SALES RATIO*

| | ALL FIRMS Distribution of Sales by Month (163 Firms) | | | ALL FIRMS Beginning of the Month Stock to Sales Ratio (100 Firms) | | |
|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | YOUR FIRM | Range of Common Experience | Median Firm | YOUR FIRM |
| JANUARY | 6.3- 9.4 | 7.6 | _____% | 4.8- 8.1 | 6.7 | _____ |
| FEBRUARY | 5.0- 6.6 | 5.8 | _____ | 6.0-10.6 | 7.5 | _____ |
| MARCH | 5.5- 7.1 | 6.3 | _____ | 5.4-10.6 | 7.6 | _____ |
| APRIL | 6.3- 7.8 | 7.0 | _____ | 5.7-10.4 | 7.4 | _____ |
| MAY | 6.5- 7.8 | 7.0 | _____ | 6.0- 9.7 | 7.8 | _____ |
| JUNE | 7.0- 8.5 | 7.8 | _____ | 5.2- 8.9 | 7.1 | _____ |
| JULY | 6.4- 8.8 | 7.5 | _____ | 5.9- 8.4 | 7.0 | _____ |
| AUGUST | 6.0- 8.0 | 6.9 | _____ | 5.2- 9.6 | 7.3 | _____ |
| SEPTEMBER | 6.1- 7.7 | 6.8 | _____ | 6.1-11.1 | 8.4 | _____ |
| OCTOBER | 7.4- 9.2 | 8.2 | _____ | 5.8- 9.4 | 7.3 | _____ |
| NOVEMBER | 8.6-10.9 | 9.7 | _____ | 5.2- 8.3 | 6.7 | _____ |
| DECEMBER | 15.4-18.7 | 17.2 | _____ | 3.0- 4.7 | 3.6 | _____ |
| TOTAL | ..... | 100.0% | 100.0% | | | |

### 1979 BEGINNING OF THE MONTH STOCK TO SALES RATIO*

| | FIRMS HANDLING MEN'S WEAR ONLY | | | | | | FIRMS HANDLING WOMEN'S WEAR | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Distribution of Sales by Month (103 Firms) | | Beginning of the Month Stock to Sales Ratio (58 Firms) | | YOUR FIRM | | Distribution of Sales by Month (60 Firms) | | Beginning of the Month Stock to Sales Ratio (42 Firms) | |
| | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Sales | Stock to Sales Ratio | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| JANUARY | 6.4- 9.2 | 7.5 | 4.8- 8.7 | 6.9 | _____% | _____ | 6.2- 9.6 | 7.7 | 4.5- 7.6 | 6.4 |
| FEBRUARY | 5.0- 6.9 | 5.7 | 6.0-10.7 | 7.4 | _____ | _____ | 5.1- 6.4 | 5.8 | 5.8-10.6 | 7.7 |
| MARCH | 5.4- 7.1 | 6.2 | 5.0-10.4 | 7.7 | _____ | _____ | 5.8- 7.1 | 6.3 | 5.5-11.3 | 7.3 |
| APRIL | 6.3- 7.8 | 7.2 | 5.6-10.1 | 8.0 | _____ | _____ | 6.2- 7.8 | 6.8 | 5.7-11.1 | 7.1 |
| MAY | 6.5- 7.9 | 7.0 | 5.8- 9.6 | 8.1 | _____ | _____ | 6.4- 7.7 | 7.0 | 6.1-10.0 | 7.8 |
| JUNE | 7.3- 8.8 | 8.1 | 5.0- 8.8 | 7.0 | _____ | _____ | 6.8- 8.2 | 7.6 | 5.5- 9.2 | 7.3 |
| JULY | 6.2- 8.4 | 7.0 | 5.7- 9.2 | 7.5 | _____ | _____ | 7.2- 9.3 | 8.1 | 6.1- 7.5 | 6.8 |
| AUGUST | 5.8- 7.8 | 6.5 | 5.9- 9.9 | 7.5 | _____ | _____ | 6.4- 8.9 | 7.3 | 5.1- 9.0 | 6.8 |
| SEPTEMBER | 6.0- 7.5 | 6.7 | 6.3-11.6 | 8.7 | _____ | _____ | 6.4- 8.1 | 7.1 | 5.9-10.3 | 8.0 |
| OCTOBER | 7.4- 9.1 | 8.1 | 6.0- 9.9 | 7.3 | _____ | _____ | 7.5- 9.5 | 8.4 | 5.4- 9.2 | 7.4 |
| NOVEMBER | 8.8-11.1 | 10.0 | 5.0- 8.1 | 6.7 | _____ | _____ | 8.4-10.6 | 9.2 | 5.1- 8.6 | 6.9 |
| DECEMBER | 15.9-19.5 | 17.8 | 2.9- 4.7 | 3.4 | _____ | _____ | 14.4-18.0 | 16.7 | 3.2- 4.8 | 4.0 |
| TOTAL | | 100.0% | | | 100.0% | | ..... | 100.0% | | |

*The ratio of retail stock at beginning of the month to sales for the month.

## ALL FIRMS

## 1979 COMPOSITE OPERATING STATEMENT

| (*EXPENSE DIVISION NUMBERS AND DEFINITIONS ARE IN ACCORDANCE WITH THE "MENSWEAR BASIC MANAGEMENT ACCOUNTING MANUAL" OF THE MRA FINANCIAL & OPERATIONS GROUP.) | ALL FIRMS (219 Firms) | | | FIRMS HANDLING MEN'S WEAR ONLY (138 Firms) | | FIRMS HANDLING WOMEN'S WEAR (81 Firms) | |
|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | YOUR FIRM | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| COST OF GOODS SOLD (Percent of net sales, excluding leased departments, except as noted.) | | | | | | | |
| 1. Ending inventory at cost | 17.9-31.6 | 25.6 | ____% | 17.7-32.2 | 25.9 | 17.9-30.0 | 25.6 |
| 2. Gross cost of merchandise sold | 54.2-61.3 | 57.2 | ____ | 54.2-61.0 | 57.2 | 54.2-62.0 | 57.0 |
| 3. Net workroom costs | 1.3- 3.4 | 2.2 | ____ | 1.4- 3.4 | 2.2 | 1.0- 2.9 | 2.0 |
| a. Workroom payroll | 1.7- 3.7 | 2.4 | ____ | 1.8- 3.7 | 2.4 | 1.6- 3.8 | 2.6 |
| b. All other expenses | .1- .8 | .3 | ____ | .1- .7 | .3 | .1- 1.3 | .2 |
| 4. Total cost of merchandise sold | 56.2-62.6 | 59.1 | ____ | 56.1-62.3 | 59.0 | 56.3-63.4 | 59.1 |
| 5. Gross margin, excluding leased department income and sales | 37.4-43.8 | 41.0 | ____ | 37.7-43.9 | 41.0 | 36.6-43.7 | 41.0 |
| 6. Income from leased departments | .7- 1.9 | .9 | ____ | .7- 2.1 | .9 | .6- 1.7 | 1.0 |
| 7. Gross margin, including income from leased departments, as a percent of total net sales | 38.0-44.2 | 41.2 | ____ | 38.3-44.2 | 41.2 | 36.9-44.3 | 41.2 |
| Expense Div. No.* | | | | | | | |
| 8. 01 Payroll (total) | 13.7-23.9 | 18.5 | ____ | 13.7-24.7 | 18.6 | 13.7-22.8 | 18.1 |
| a. Payroll of owners and officers | 4.2- 8.6 | 6.4 | ____ | 4.3- 8.7 | 6.6 | 4.0- 8.2 | 5.6 |
| b. Selling payroll | 7.8-11.5 | 9.7 | ____ | 7.8-12.1 | 9.6 | 7.9-10.7 | 9.9 |
| c. Non-selling payroll | 1.6- 3.9 | 2.5 | ____ | 1.5- 3.9 | 2.4 | 1.8- 3.8 | 2.6 |
| 9. 03 Advertising | 2.1- 4.0 | 2.9 | ____ | 2.1- 4.2 | 3.0 | 2.0- 3.9 | 2.8 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 10. | 04 | Taxes (total) | 1.5- 2.4 | 1.9 | ——— | 1.4- 2.3 | 1.8 | 1.5- 2.5 | 1.9 |
| | | a. All state and local taxes with the exception of payroll taxes and Federal income taxes | .3- .8 | .5 | ——— | .2- .8 | .5 | .3- 1.0 | .6 |
| | | b. Social security and unemployment taxes | 1.0- 1.6 | 1.3 | ——— | 1.0- 1.6 | 1.3 | 1.1- 1.6 | 1.3 |
| 11. | 06 | Supplies | 1.4- 3.2 | 2.2 | ——— | 1.3- 3.1 | 2.2 | 1.4- 3.3 | 2.3 |
| | | a. Wrapping and packing supplies | .5- 1.1 | .8 | ——— | .4- 1.1 | .8 | .5- 1.2 | .9 |
| | | b. Other supplies (cleaning, stationery) | .2- .8 | .4 | ——— | .2- .7 | .4 | .2- .8 | .5 |
| | | c. Heat, light | .7- 1.3 | 1.0 | ——— | .7- 1.3 | 1.0 | .7- 1.3 | 1.0 |
| 12. | 07 | Services Purchased (Total) | .8- 2.4 | 1.3 | ——— | .7- 2.3 | 1.3 | .8- 2.5 | 1.3 |
| | | a. Data processing/service bureau charges | .4- 1.0 | .6 | ——— | .3- 1.1 | .6 | .4- 1.0 | .6 |
| | | b. Credit card service fees | .2- .6 | .3 | ——— | .2- .6 | .3 | .2- .6 | .3 |
| | | c. Other outside service fees, delivery, alarm service, buying offices, etc. | .2- .8 | .4 | ——— | .2- .7 | .4 | .2- .9 | .5 |
| 13. | 08 | Unclassified | .2- .9 | .5 | ——— | .2- .9 | .5 | .2- 1.0 | .4 |
| 14. | 09 | Traveling | .4- .9 | .6 | ——— | .4- .9 | .6 | .4- .9 | .7 |
| 15. | 10 | Communications | .3- .7 | .5 | ——— | .3- .7 | .5 | .4- .7 | .5 |
| 16. | 11 | Pensions | .4- 1.8 | .9 | ——— | .5- 1.8 | 1.0 | .3- 1.8 | .9 |
| 17. | 12 | Insurance (total) | 1.0- 2.4 | 1.5 | ——— | 1.0- 2.5 | 1.7 | .9- 2.1 | 1.4 |
| | | a. Workmen's compensation insurance, sickness, accident, group medical, group hospital and life insurance premiums | .6- 1.4 | .9 | ——— | .6- 1.5 | .9 | .5- 1.3 | .8 |
| | | b. All other insurance premiums | .4- 1.0 | .7 | ——— | .5- 1.0 | .7 | .4- .8 | .6 |
| 18. | 13 | Depreciation (total) | .6- 1.4 | .9 | ——— | .5- 1.3 | .9 | .7- 1.5 | 1.0 |
| 19. | 14 | Professional services | .2- .6 | .4 | ——— | .3- .6 | .4 | .2- .6 | .3 |
| 20. | 15 | Donations | .0- .2 | .1 | ——— | .0- .2 | .1 | .0- .2 | .1 |
| 21. | 16 | Bad debts | .1- .4 | .2 | ——— | .1- .4 | .2 | .1- .4 | .2 |
| 22. | 17 | Equipment costs | .2- .7 | .4 | ——— | .2- .8 | .4 | .2- .7 | .4 |
| 23. | 20 | Real property rentals | 2.1- 5.0 | 3.6 | ——— | 2.3- 5.1 | 3.8 | 1.7- 4.8 | 3.2 |
| 24. | | Total expenses | 32.2-41.2 | 37.3 | ——— | 32.6-41.7 | 37.5 | 31.9-41.0 | 36.3 |
| | | NET GAIN (Percent of total net sales, except as noted.) | | | | | | | |
| 25. | | Operating profit, including income from leased departments | .9- 7.1 | 3.8 | ——— | .7- 7.1 | 3.6 | 1.4- 7.2 | 3.9 |
| 26. | | a. Net other income | .4- 2.1 | 1.1 | ——— | .4- 2.0 | 1.0 | .5- 2.1 | 1.2 |
| | | b. Net other expense | .5- 2.2 | 1.3 | ——— | .5- 2.0 | 1.1 | .4- 2.3 | 1.5 |
| 27. | | Net profit, before Federal income taxes | 1.1- 7.1 | 3.9 | ——— | .7- 6.9 | 3.8 | 1.6- 7.2 | 4.2 |

## HOW MEN'S WEAR FIRMS SPEND THEIR ADVERTISING DOLLARS

Newspaper advertising continues to consume the largest portion of the men's wear retailers' dollars spent in advertising accounting for a 50.8 percent level for the median firm. This accounts for a 3.6 percent increase over 1978. Radio advertising follows with a 22.3 percent median figure for available dollars, indicating a 3.1 percent increase over the prior year.

Total television time decreased 3.8 percent in 1979 to 11.2 percent while direct mail increased slightly over 1978 figures.

The remaining advertising budget is devoted to advertising payroll which decreased somewhat to 10.3 percent and other advertising costs which include layout and magazine placement.

The allocation of advertising dollars over the last ten years can be seen from a comparison of advertising expenditures in 1969 when newspaper space cost was 50.2 percent, radio percentage at 16.1, and television time at 8.1 percent. These figures illustrate the point that newspaper space continues to be the major source of advertising budget distributions.

The median percentage of net sales spent on advertising was 2.7 percent in 1968 increasing gradually to 3 percent in 1977 and this year all firms reported a median of 2.9 percent of sales allocated to the advertising budget.

### ALL FIRMS ADVERTISING EXPENDITURES AS A PERCENT OF TOTAL ADVERTISING EXPENSE

| | ALL FIRMS (134 Firms) | | | FIRMS HANDLING MEN'S WEAR ONLY (86 Firms) | | FIRMS HANDLING WOMEN'S WEAR (48 Firms) | |
|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | YOUR FIRM | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| Total Newspaper Space | 34.7-68.1 | 50.8 | ____% | 32.9-68.1 | 49.8 | 40.5-68.7 | 53.7 |
| Total Radio Time | 10.9-34.5 | 22.3 | _____ | 9.8-36.8 | 22.5 | 12.7-34.3 | 21.0 |
| Total TV Time | 5.0-23.5 | 11.2 | _____ | 5.0-27.6 | 13.2 | 4.0-17.6 | 7.3 |
| Direct Mail | 3.4-16.2 | 7.0 | _____ | 3.2-19.3 | 7.2 | 4.4-13.0 | 6.8 |
| Advertising Payroll | 6.6-13.8 | 10.3 | _____ | 6.2-15.4 | 10.5 | 6.3-12.8 | 10.2 |
| Other Advertising Costs | 6.0- 21.1 | 14.4 | _____ | 6.3-21.0 | 13.2 | 5.7-22.7 | 16.2 |

## MONTHLY SALES PUBLICITY RATIO

Monthly publicity ratios are determined by dividing past publicity costs for a given month by sales for that month. This ratio then governs the amount of money allocated and spent on publicity by multiplying it times the month's projected sales. Holidays and special store occasions (such as anniversaries) should be kept in mind when reviewing any month's past performance.

| GROUP I FIRMS ANNUAL SALES UNDER $300,000 | Distribution of Sales by Month (13 Firms) | | YOUR FIRM | | Distribution of Publicity Cost by Month (9 Firms) | | Publicity Cost as a Percent of Monthly Sales (9 Firms) | |
|---|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Sales | Publicity | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| January | 5.9-10.0 | 6.6 | ___% | ___% | 4.6-13.2 | 10.2 | 2.0- 6.4 | 4.3 |
| February | 5.0- 7.0 | 6.5 | ___ | ___ | 4.1- 8.3 | 7.2 | 1.7- 5.8 | 2.6 |
| March | 5.7- 6.8 | 6.2 | ___ | ___ | 3.9-10.9 | 6.3 | 2.4- 5.7 | 3.1 |
| April | 6.0- 8.1 | 6.9 | ___ | ___ | 2.1- 8.3 | 5.1 | .7- 5.9 | 3.0 |
| May | 6.4- 8.3 | 6.9 | ___ | ___ | 4.4- 6.3 | 4.9 | 1.9- 3.7 | 2.8 |
| June | 6.7- 8.7 | 7.7 | ___ | ___ | 4.6- 7.5 | 5.9 | 1.9- 4.0 | 2.7 |
| July | 6.3- 9.3 | 7.2 | ___ | ___ | 10.4-14.8 | 11.2 | 3.6- 5.9 | 4.5 |
| August | 6.1- 8.0 | 7.2 | ___ | ___ | 5.8- 8.7 | 7.4 | 2.1- 5.8 | 3.0 |
| September | 6.2- 8.0 | 6.8 | ___ | ___ | 4.9- 8.2 | 6.5 | 2.5- 3.9 | 3.0 |
| October | 7.2- 8.7 | 7.9 | ___ | ___ | 3.2-12.1 | 7.2 | 1.4- 4.7 | 3.0 |
| November | 8.6-11.2 | 9.6 | ___ | ___ | 4.8-14.8 | 12.0 | 1.6- 7.3 | 3.6 |
| December | 15.5-18.8 | 18.2 | ___ | ___ | 11.3-20.4 | 14.6 | 2.5- 4.7 | 3.0 |
| TOTAL | | 100.0% | 100.0% | | | 100.0% | | |

| GROUP II FIRMS ANNUAL SALES $300,000 to $499,999 | Distribution of Sales by Month (12 Firms) | | YOUR FIRM | | Distribution of Publicity Cost by Month (10 Firms) | | Publicity Cost as a Percent of Monthly Sales (10 Firms) | |
|---|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Sales | Publicity | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| January | 6.7- 7.6 | 7.2 | ___% | ___% | 5.8-13.4 | 10.5 | 1.9- 8.9 | 6.1 |
| February | 4.8- 6.7 | 5.5 | ___ | ___ | 3.4- 7.1 | 6.1 | 1.2- 5.3 | 3.0 |
| March | 5.5- 6.6 | 5.7 | ___ | ___ | 3.1- 7.6 | 4.5 | 1.3- 5.2 | 3.2 |
| April | 6.3- 8.5 | 7.4 | ___ | ___ | 4.2- 7.4 | 6.7 | 1.6- 4.7 | 2.7 |
| May | 6.5- 8.2 | 7.2 | ___ | ___ | 5.0-10.7 | 8.9 | 2.2- 4.6 | 3.9 |
| June | 7.7- 8.8 | 8.2 | ___ | ___ | 6.7-10.9 | 8.9 | 2.9- 5.0 | 4.0 |
| July | 6.3- 9.1 | 7.4 | ___ | ___ | 6.8-14.9 | 8.4 | 2.1- 5.1 | 4.4 |
| August | 6.2- 8.5 | 7.1 | ___ | ___ | 3.3- 7.1 | 5.3 | 1.3- 3.5 | 2.0 |
| September | 6.2- 7.8 | 7.2 | ___ | ___ | 7.5-10.5 | 8.5 | 3.2- 5.4 | 4.3 |
| October | 7.0- 8.8 | 7.7 | ___ | ___ | 5.1-11.1 | 7.5 | 1.7- 5.0 | 2.9 |
| November | 8.7-11.8 | 9.5 | ___ | ___ | 7.4-17.8 | 13.6 | 3.0- 6.1 | 4.0 |
| December | 16.7-20.5 | 18.7 | ___ | ___ | 7.1-15.8 | 10.8 | .9- 4.0 | 2.5 |
| TOTAL | | 100.0% | 100.0% | | | 100.0% | | |

## SALES PUBLICITY RATIO

| GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 | Distribution of Sales by Month (28 Firms) | | YOUR FIRM | | Distribution of Publicity Cost by Month (23 Firms) | | Publicity Cost as a Percent of Monthly Sales (23 Firms) | |
|---|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Sales | Publicity | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| January | 6.7-10.4 | 9.1 | ___% | ___% | 6.5-15.0 | 8.8 | 1.7- 5.2 | 3.1 |
| February | 5.2- 6.2 | 5.6 | ___ | ___ | 4.3- 8.3 | 6.6 | 1.9- 5.0 | 2.9 |
| March | 5.5- 7.3 | 6.4 | ___ | ___ | 5.3- 8.3 | 6.6 | 2.2- 3.6 | 2.9 |
| April | 6.3- 7.8 | 6.6 | ___ | ___ | 4.6- 7.5 | 6.4 | 1.9- 3.2 | 2.5 |
| May | 6.4- 7.9 | 6.9 | ___ | ___ | 4.4- 9.7 | 7.0 | 1.7- 3.8 | 2.3 |
| June | 7.0- 8.1 | 7.6 | ___ | ___ | 6.6-10.0 | 8.5 | 2.6- 4.0 | 3.2 |
| July | 6.6- 8.7 | 7.6 | ___ | ___ | 6.2-11.5 | 7.8 | 2.1- 3.6 | 2.9 |
| August | 5.5- 7.2 | 6.4 | ___ | ___ | 5.6- 8.7 | 6.8 | 1.8- 4.7 | 3.2 |
| September | 6.5- 7.4 | 6.8 | ___ | ___ | 4.7- 9.2 | 6.4 | 1.7- 3.9 | 3.1 |
| October | 7.6-10.0 | 8.9 | ___ | ___ | 6.1-10.6 | 8.3 | 1.4- 3.9 | 2.5 |
| November | 8.7-11.0 | 9.7 | ___ | ___ | 8.4-11.7 | 10.3 | 1.7- 4.4 | 3.1 |
| December | 14.3-18.0 | 15.9 | ___ | ___ | 10.3-15.6 | 11.7 | 1.7- 3.5 | 2.1 |
| TOTAL | | 100.0% | 100.0% | | | 100.0% | | |

| GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,000 | Distribution of Sales by Month (31 Firms) | | YOUR FIRM | | Distribution of Publicity Cost by Month (25 Firms) | | Publicity Cost as a Percent of Monthly Sales (25 Firms) | |
|---|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Sales | Publicity | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| January | 7.2- 9.9 | 8.5 | ___% | ___% | 5.4-10.0 | 7.8 | 2.3- 5.1 | 3.5 |
| February | 4.4- 6.7 | 5.7 | ___ | ___ | 4.4- 7.1 | 6.1 | 2.3- 4.7 | 3.8 |
| March | 5.5- 6.8 | 6.2 | ___ | ___ | 5.6- 7.0 | 6.6 | 2.6- 5.1 | 3.6 |
| April | 5.9- 7.8 | 7.1 | ___ | ___ | 5.5- 8.4 | 6.7 | 2.9- 4.7 | 3.6 |
| May | 6.5- 7.5 | 7.0 | ___ | ___ | 5.5- 9.1 | 6.3 | 2.7- 5.2 | 3.7 |
| June | 7.0- 8.3 | 7.7 | ___ | ___ | 6.8-10.0 | 8.2 | 3.0- 5.3 | 3.7 |
| July | 6.4- 8.4 | 7.3 | ___ | ___ | 5.9- 8.1 | 7.4 | 2.8- 4.3 | 3.6 |
| August | 5.4- 7.5 | 6.1 | ___ | ___ | 4.9- 7.3 | 6.5 | 2.5- 4.3 | 3.2 |
| September | 6.4- 7.6 | 7.0 | ___ | ___ | 6.5- 9.3 | 7.3 | 2.7- 5.0 | 4.1 |
| October | 7.9- 9.4 | 8.6 | ___ | ___ | 6.5-10.9 | 9.4 | 2.5- 5.9 | 3.7 |
| November | 8.7-11.5 | 10.2 | ___ | ___ | 9.6-14.2 | 11.2 | 2.9- 6.7 | 4.2 |
| December | 15.4-18.5 | 17.3 | ___ | ___ | 11.4-17.2 | 12.6 | 2.1- 3.8 | 2.5 |
| TOTAL | | 100.0% | 100.0% | | | 100.0% | | |

| GROUP V FIRMS ANNUAL SALES $3,500,000 AND OVER | Distribution of Sales by Month (9 Firms) | | YOUR FIRM | | Distribution of Publicity Cost by Month (8 Firms) | | Publicity Cost as a Percent of Monthly Sales (8 Firms) | |
|---|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Sales | Publicity | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| January | 6.5- 8.4 | 7.4 | ___% | ___% | 5.6- 7.1 | 6.3 | 2.7- 3.8 | 3.4 |
| February | 4.8- 6.6 | 6.0 | ___ | ___ | 4.7- 7.4 | 6.2 | 2.9- 5.3 | 3.9 |
| March | 6.0- 8.8 | 6.6 | ___ | ___ | 5.5- 9.3 | 6.9 | 3.0- 5.0 | 4.0 |
| April | 6.4- 8.2 | 7.7 | ___ | ___ | 6.0- 8.9 | 7.8 | 2.8- 6.6 | 4.0 |
| May | 5.9- 7.6 | 6.4 | ___ | ___ | 6.8- 8.4 | 6.9 | 3.6- 6.1 | 4.3 |
| June | 7.0- 8.9 | 7.7 | ___ | ___ | 7.6- 8.3 | 8.1 | 3.3- 4.4 | 3.6 |
| July | 6.2- 8.9 | 7.9 | ___ | ___ | 4.9- 7.8 | 6.3 | 2.1- 4.0 | 3.4 |
| August | 6.3- 8.6 | 7.3 | ___ | ___ | 7.0- 9.3 | 7.9 | 2.6- 7.0 | 4.5 |
| September | 6.2-10.7 | 7.7 | ___ | ___ | 8.3-10.6 | 9.3 | 3.4- 6.3 | 4.2 |
| October | 7.6- 9.2 | 8.0 | ___ | ___ | 6.7- 9.7 | 8.3 | 3.2- 4.4 | 3.6 |
| November | 8.1-10.3 | 9.7 | ___ | ___ | 9.2-12.1 | 11.2 | 3.4- 6.2 | 5.0 |
| December | 15.2-18.1 | 16.7 | ___ | ___ | 10.5-14.6 | 11.8 | 2.4- 4.0 | 3.0 |
| TOTAL | | 100.0% | 100.0% | | | 100.0% | | |

## ALL FIRMS OPERATING EXPERIENCES

### 1979 MONTHLY SALES PUBLICITY RATIO

| | ALL FIRMS Distribution of Sales by Month (163 Firms) | | YOUR FIRM | ALL FIRMS Publicity Cost as a Percent of Monthly Sales (128 Firms) | | YOUR FIRM |
|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | | Range of Common Experience | Median Firm | |
| JANUARY | 6.3 9.4 | 7.6 | ____% | 2.0- 4.8 | 3.0 | ____% |
| FEBRUARY | 5.0- 6.6 | 5.8 | ____ | 1.9- 4.5 | 3.1 | ____ |
| MARCH | 5.5- 7.1 | 6.3 | ____ | 2.2- 4.4 | 3.0 | ____ |
| APRIL | 6.3- 7.8 | 7.0 | ____ | 2.1- 4.5 | 3.0 | ____ |
| MAY | 6.5- 7.8 | 7.0 | ____ | 2.1- 4.7 | 3.2 | ____ |
| JUNE | 7.0- 8.5 | 7.8 | ____ | 2.5- 4.4 | 3.3 | ____ |
| JULY | 6.4- 8.8 | 7.5 | ____ | 2.1- 4.5 | 3.3 | ____ |
| AUGUST | 6.0- 8.0 | 6.9 | ____ | 2.0- 4.7 | 2.9 | ____ |
| SEPTEMBER | 6.1- 7.7 | 6.8 | ____ | 2.2- 4.6 | 3.3 | ____ |
| OCTOBER | 7.4- 9.2 | 8.2 | ____ | 2.0- 4.7 | 3.0 | ____ |
| NOVEMBER | 8.6-10.9 | 9.7 | ____ | 2.2- 4.9 | 3.4 | ____ |
| DECEMBER | 15.4-18.7 | 17.2 | ____ | 1.7- 3.5 | 2.5 | ____ |
| TOTAL | ..... | 100.0% | 100.0% | | | |

### 1979 MONTHLY SALES PUBLICITY RATIO

| | FIRMS HANDLING MEN'S WEAR ONLY | | | | YOUR FIRM | | FIRMS HANDLING WOMEN'S WEAR | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Distribution of Sales by Month (103 Firms) | | Publicity Cost as a Percent of Monthly Sales (83 Firms) | | | | Distribution of Sales by Month (60 Firms) | | Publicity Cost as a Percent of Monthly Sales (45 Firms) | |
| | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Sales | Publicity | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm |
| JANUARY | 6.4- 9.2 | 7.5 | 2.3- 5.2 | 3.2 | ____% | ____% | 6.2- 9.6 | 7.7 | 1.5- 3.6 | 2.8 |
| FEBRUARY | 5.0- 6.9 | 5.7 | 1.9- 4.6 | 3.3 | ____ | ____ | 5.1- 6.4 | 5.8 | 2.0- 4.0 | 2.6 |
| MARCH | 5.4- 7.1 | 6.2 | 2.0- 4.3 | 3.1 | ____ | ____ | 5.8- 7.1 | 6.3 | 2.3- 4.6 | 2.9 |
| APRIL | 6.3- 7.8 | 7.2 | 2.1- 4.6 | 3.1 | ____ | ____ | 6.2- 7.8 | 6.8 | 2.0- 4.3 | 2.7 |
| MAY | 6.5- 7.9 | 7.0 | 2.0- 4.5 | 3.2 | ____ | ____ | 6.4- 7.7 | 7.0 | 2.3- 4.8 | 3.3 |
| JUNE | 7.3- 8.8 | 8.1 | 2.5- 4.8 | 3.5 | ____ | ____ | 5.8- 8.2 | 7.6 | 2.5- 3.9 | 3.2 |
| JULY | 6.2- 8.4 | 7.0 | 2.1- 4.5 | 3.5 | ____ | ____ | 7.2- 9.3 | 8.1 | 2.0- 4.1 | 2.7 |
| AUGUST | 5.8- 7.8 | 6.5 | 2.2- 5.1 | 3.1 | ____ | ____ | 6.4- 8.9 | 7.3 | 1.8- 3.8 | 2.6 |
| SEPTEMBER | 6.0- 7.5 | 6.7 | 2.1- 4.8 | 3.4 | ____ | ____ | 6.4- 8.1 | 7.1 | 2.2- 4.1 | 3.0 |
| OCTOBER | 7.4- 9.1 | 8.1 | 2.0- 4.4 | 3.0 | ____ | ____ | 7.5- 9.5 | 8.4 | 2.0- 5.1 | 3.0 |
| NOVEMBER | 8.8-11.1 | 10.0 | 2.5- 5.0 | 3.5 | ____ | ____ | 8.4-10.6 | 9.2 | 1.7- 4.8 | 3.4 |
| DECEMBER | 15.9-19.5 | 17.8 | 1.8- 3.5 | 2.4 | ____ | ____ | 14.4-18.0 | 16.7 | 1.4- 3.7 | 2.5 |
| TOTAL | ..... | 100.0% | | | 100.0% | | ..... | 100.0% | | |

# 1979 REPORT BY FIRM VOLUME
# (Under $500,000)

An analysis of key figures of Group I (under $300,000) and Group II ($300,000-$500,000) firms indicates that as in 1978, both groups outpaced the industry average of a 2.4 percent sales increase by registering 5.0 percent and 4.7 percent increases respectively.

The under $500,000 groups also exceeded the industry average of net profit (3.9) percent as Group I experienced a 7.1 percent level and Group II a 4.9 percent increase. Both groups trailed industry levels ($97.93) in sales per square feet with $73.20 and $86.90 respectively.

## COMPARISON OF 1978 AND 1979 KEY FIGURES

### SALES VOLUME INCREASE

| | GROUP | 1979 Median | 1978 Median | YOUR FIRM |
|---|---|---|---|---|
| I | (Under $300,000) | 5.0% | 6.6% | _____% |
| II | ($300,000 to $499,999) | 4.7% | 6.9% | _____% |

### TOTAL EXPENSES

| | GROUP | 1979 Median | 1978 Median | YOUR FIRM |
|---|---|---|---|---|
| I | (Under $300,000) | 33.1% | 33.7% | _____% |
| II | ($300,000 to $499,999) | 34.2% | 33.5% | _____% |

### NET PROFIT

| | GROUP | 1979 Median | 1978 Median | YOUR FIRM |
|---|---|---|---|---|
| I | (Under $300,000) | 7.1% | 3.6% | _____% |
| II | ($300,000 to $499,999) | 4.9% | 3.8% | _____% |

### GROSS MARGIN

| | GROUP | 1979 Median | 1978 Median | YOUR FIRM |
|---|---|---|---|---|
| I | (Under $300,000) | 41.1% | 38.1% | _____% |
| II | ($300,000 to $499,999) | 38.8% | 39.7% | _____% |

### INVENTORY TURNOVER

| | GROUP | 1979 Median | 1978 Median | YOUR FIRM |
|---|---|---|---|---|
| I | (Under $300,000) | 2.2 | NA | _____ |
| II | ($300,000 to $499,999) | 2.4 | 1.8 | _____ |

## 1979 COOPERATIVE ADVERTISING FUNDS RECEIVED AS A PERCENT OF GROSS PUBLICITY COST

| | GROUP | Range of Common Experience | Median |
|---|---|---|---|
| I | (Under $300,000) | 2.6- 7.9 | 3.7 |
| II | ($300,000 to $499,999) | 2.9-13.8 | 6.2 |

## 1979 COMPOSITE OPERATING STATEMENT BY FIRM VOLUME

| (*EXPENSE DIVISION NUMBERS AND DEFINITIONS ARE IN ACCORDANCE WITH THE "MENSWEAR BASIC MANAGEMENT ACCOUNTING MANUAL" OF THE MRA FINANCIAL & OPERATIONS GROUP.) | GROUP I FIRMS ANNUAL SALES under $300,000 (37 Firms) | | GROUP II FIRMS ANNUAL SALES $300,000 to $499,999 (42 Firms) | | YOUR FIRM |
|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | |
| **COST OF GOODS SOLD** (Percent of net sales, excluding leased departments, except as noted.) | | | | | |
| 1. Ending inventory at cost | 24.0-43.5 | 30.8 | 17.5-31.6 | 27.2 | ____% |
| 2. Gross cost of merchandise sold | 55.7-61.6 | 58.9 | 56.1-63.0 | 59.9 | ____ |
| 3. Net workroom costs | .6- 2.3 | 1.5 | .9- 2.9 | 1.8 | ____ |
| a. Workroom payroll | 1.4- 2.8 | 2.1 | 1.7- 2.7 | 2.1 | ____ |
| b. All other expenses | .1- 1.4 | 0.5 | .1- 1.6 | .8 | ____ |
| 4. Total cost of merchandise sold | 56.4-63.4 | 59.2 | 56.4-64.0 | 61.2 | ____ |
| 5. Gross margin, excluding leased department income and sales | 36.6-43.6 | 40.8 | 36.0-43.6 | 38.8 | ____ |
| 6. Income from leased departments | NA | NA | NA | NA | ____ |
| 7. Gross margin, including income from leased departments, as a percent of total net sales | 37.6-44.3 | 41.1 | 36.1-43.6 | 38.8 | ____ |
| Expense Div. No.* | | | | | |
| 8. 01 Payroll (total) | 13.1-24.9 | 18.1 | 13.7-22.3 | 17.3 | ____ |
| a. Payroll of owners and officers | 5.7-11.2 | 7.8 | 5.5- 8.5 | 6.8 | ____ |
| b. Selling payroll | 6.5-11.1 | 8.5 | 7.2-11.0 | 8.6 | ____ |
| c. Non-selling payroll | .9- 2.6 | 1.8 | 1.0- 2.5 | 1.9 | ____ |
| 9. 03 Advertising | 1.7- 3.6 | 2.5 | 2.3- 4.2 | 3.4 | ____ |
| 10. 04 Taxes (total) | 1.0- 2.1 | 1.8 | 1.4- 2.3 | 1.7 | ____ |
| a. All state and local taxes with the exception of payroll taxes and Federal income taxes | .2- .9 | .5 | .3- .8 | .4 | ____ |
| b. Social security and unemployment taxes | .6- 1.4 | 1.1 | .8- 1.5 | 1.2 | ____ |
| 11. 05 Supplies | 1.4- 3.6 | 2.1 | 1.5- 3.0 | 2.2 | ____ |
| a. Wrapping and packing supplies | .4- 1.3 | .6 | .6- 1.2 | .9 | ____ |
| b. Other supplies (cleaning, stationery) | .3- .9 | .4 | .2- .6 | .4 | ____ |
| c. Heat, light | .8- 1.4 | 1.0 | .7- 1.3 | 1.0 | ____ |
| 12. 07 Services Purchased (Total) | .3- 1.7 | .9 | .4- 1.1 | .8 | ____ |
| a. Data processing/service bureau charges | NA | NA | .2- .6 | .5 | ____ |
| b. Credit card service fees | .2- .5 | .2 | .2- .5 | .3 | ____ |
| c. Other outside service fees, delivery, alarm service, buying offices, etc. | .2- 1.3 | .6 | .2- .6 | .3 | ____ |
| 13. 08 Unclassified | .2- .9 | .4 | .2- .6 | .4 | ____ |
| 14. 09 Traveling | .4- 1.1 | .7 | .5- 1.3 | .9 | ____ |
| 15. 10 Communications | .3- .8 | .5 | .3- .6 | .5 | ____ |
| 16. 11 Pensions | NA | NA | .4- 1.1 | .7 | ____ |
| 17. 12 Insurance (total) | .9- 2.9 | 1.6 | .9- 2.5 | 1.4 | ____ |
| a. Workmen's compensation insurance, sickness, accident, group medical, group hospital and life insurance premiums | .4- 1.6 | .7 | .5- 1.4 | .7 | ____ |
| b. All other insurance premiums | .5- 1.3 | .9 | .4- 1.1 | .7 | ____ |
| 18. 13 Depreciation (total) | .3- 2.0 | .7 | .5- 1.6 | .9 | ____ |
| 19. 14 Professional services | .2- .8 | .4 | .3- .7 | .5 | ____ |
| 20. 15 Donations | .1- .3 | .1 | .1- .2 | .1 | ____ |
| 21. 16 Bad debts | .1- .3 | .1 | .0- .2 | .1 | ____ |
| 22. 17 Equipment costs | .2- .9 | .4 | .2- .5 | .3 | ____ |
| 23. 20 Real property rentals | 1.9- 5.1 | 3.8 | 2.0- 4.5 | 2.8 | ____ |
| 24. Total expenses | 28.9-38.2 | 33.1 | 28.5-37.8 | 34.2 | ____ |
| **NET GAIN** (Percent of total net sales, except as noted.) | | | | | |
| 25. Operating profit, including income from leased departments | 2.0-11.8 | 7.3 | 2.0- 8.4 | 5.2 | ____ |
| 26. a. Net other income | .2- 2.2 | .6 | .3- 1.7 | .7 | ____ |
| b. Net other expense | 1.0- 2.7 | 1.9 | .4- 3.0 | 1.6 | ____ |
| 27. Net profit, before Federal income taxes | 1.8-11.1 | 7.1 | 1.1- 8.5 | 4.9 | ____ |

## OPERATING EXPERIENCES BY FIRM VOLUME

### 1979 MERCHANDISING AND PRODUCTIVITY DATA

| | GROUP I FIRMS ANNUAL SALES under $300,000 (37 Firms) | | GROUP II FIRMS ANNUAL SALES $300,000-$499,999 (42 Firms) | | |
|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | YOUR FIRM |
| **SALES DATA** | | | | | |
| Increase in total net sales from last year | (1.8)- 14.9 | 5.0 | (2.0)- 11.7 | 4.7 | _____% |
| Sales per square foot of total store area in dollars | $55.8-100.1 | $73.2 | $70.2-114.1 | $86.9 | _____ |
| **SELLING AND ADVERTISING COST** | | | | | |
| Selling payroll, percent of net sales excluding leased departments | 6.5- 11.1 | 8.5 | 7.2- 11.0 | 8.6 | _____ |
| Advertising, percent of net sales excluding leased departments | 1.7- 3.6 | 2.5 | 2.3- 4.2 | 3.4 | _____ |
| **MERCHANDISING DATA** | | | | | |
| Annual stock turn, number of times at retail | .9- 3.3 | 2.2 | 1.8- 6.5 | 2.4 | _____ |
| Transportation-in charges on goods purchased as a percent of total purchases | .6- 1.4 | 1.1 | .5- 1.4 | .9 | _____ |
| Beginning 1979 inventory as a percent of 1978 sales | 25.0- 50.2 | 34.5 | 19.8- 35.4 | 24.5 | _____ |
| Ending 1979 inventory as a percent of 1979 sales | 24.0- 43.5 | 30.8 | 17.5- 31.6 | 27.2 | _____ |
| **ALTERATION DATA AND COST** | | | | | |
| Net workroom cost, percent of net sales excluding leased departments | .6- 2.3 | 1.5 | .9- 2.9 | 1.8 | _____ |
| Net alterations cost, percent of men's clothing sales | .0- 4.3 | 3.3 | .0- 6.6 | 4.1 | _____ |
| Income from alterations, percent of net sales excluding leased departments | .2- .9 | .5 | .2- .4 | .3 | _____ |
| **PROFIT AND FINANCIAL DATA** | | | | | |
| Income from leased departments, percent of leased department sales | NA | NA | NA | NA | _____ |
| Cash discounts earned as % of net sales | .3- .5 | .4 | .4- 1.1 | .5 | _____ |
| Net profit on net sales | 1.8- 11.1 | 7.1 | 1.1- 8.5 | 4.9 | _____ |
| Net profit on net worth | 5.8- 31.4 | 18.5 | 3.6- 30.3 | 17.2 | _____ |
| Net profit on net working capital | 6.9- 35.2 | 13.8 | 3.9- 31.2 | 16.6 | _____ |

## 1979 PRODUCTIVITY INFORMATION

## BY FIRM VOLUME

| | GROUP I FIRMS ANNUAL SALES UNDER $300,000 (37 Firms) | | GROUP II FIRMS ANNUAL SALES $300,000 to $499,999 (42 Firms) | | |
|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | YOUR FIRM |
| Stock Turnover | .9- 3.3 | 2.2 | 1.8- 6.5 | 2.4 | ——— |
| Selling Area in Square Feet | 1,567-3,000 | 2,300 | 2,500-4,107 | 3,100 | ——— |
| Sales per square foot of selling area ($) | $74.7-125.0 | $92.0 | $87.9-144.9 | $124.5 | ——— |
| Cost of goods per square foot of selling area ($) | $41.6- 73.1 | $55.1 | $54.7- 86.2 | $ 72.1 | ——— |
| Gross Margin per square foot of selling area ($) | $30.8- 48.2 | $36.4 | $34.1- 55.7 | $ 46.8 | ——— |
| Operating Expenses per square foot of selling area ($) | $22.2- 41.0 | $32.4 | $29.3- 48.6 | $ 39.3 | ——— |
| Operating profit per square foot of selling area ($) | $ 2.2- 13.0 | $ 5.8 | $ 2.5- 8.4 | $ 5.7 | ——— |
| Total area selling and non selling in square feet | 2,070-3,900 | 3,000 | 3,420-5,000 | 4,000 | ——— |
| Sales per square foot of total area ($) | $55.8-100.1 | $73.2 | $70.2-114.1 | $ 86.9 | ——— |
| Cost of goods per square foot to total area ($) | $30.5- 60.2 | $45.6 | $41.0- 66.1 | $ 51.6 | ——— |
| Gross Margin per square foot of total area ($) | $21.9- 37.3 | $27.3 | $27.2- 46.3 | $ 34.5 | ——— |
| Operating expenses per square foot of total area ($) | $18.1- 33.3 | $24.2 | $22.4- 43.1 | $ 28.4 | ——— |
| Operating profit per square foot of total area ($) | $ 1.6- 10.3 | $ 4.3 | $ 2.1- 7.4 | $ 4.2 | ——— |

# 1979 REPORT BY FIRM VOLUME
# (over $500,000)

All three larger firm groups failed to keep pace with the modest industry sales gain of 2.4% over prior year levels, posting sales on a par with year ago levels for Group III firms, a 1.8% increase for Group IV firms and a 1.5% increase for the largest firms.

Group III firms again lead the way in expense control at 37.6% of sales, up 2.8 percent over 1978.

In net profit before taxes, all groups failed to meet the industry median of 3.9% with Group IV showing the worst performance at 2.2% of net sales.

## COMPARISON OF 1979 AND 1978 KEY FIGURES

### SALES VOLUME INCREASE

| GROUP | | 1979 Median | 1978 Median | YOUR FIRM |
|---|---|---|---|---|
| III | ($500,000 to $999,999) | 0 | 2.6% | _____% |
| IV | ($1,000,000 to $3,499,999) | 1.8% | 5.7% | _____% |
| V | ($3,500,000 and over) | 1.5% | 16.3% | _____% |

### TOTAL EXPENSES

| GROUP | | 1979 Median | 1978 Median | YOUR FIRM |
|---|---|---|---|---|
| III | ($500,000 to $999,999) | 37.6% | 34.8% | _____% |
| IV | ($1,000,000 to $3,499,999) | 39.4% | 38.8% | _____% |
| V | ($3,500,000 and over) | 40.5% | 38.1% | _____% |

### NET PROFIT

| GROUP | | 1979 Median | 1978 Median | YOUR FIRM |
|---|---|---|---|---|
| III | ($500,000 to $999,999) | 3.5% | 3.2% | _____% |
| IV | ($1,000,000 to $3,499,999) | 2.2% | 2.8% | _____% |
| V | ($3,500,000 and over) | 3.5% | 3.8% | _____% |

# 1979 MERCHANDISING AND PRODUCTIVITY DATA

Group V firms maintained the best inventory turnover rate of 2.1 even though this figure was down almost half a turn from their 1978 experiences.

The largest firms also lead the way in gross margin performance at 43.6 percent of net sales. Group III firms showed the greatest improvement in gross margin performance over last year with a 3.4 percent increase to 41.3 percent.

The best sales per square foot of selling area results were realized by Group V firms at $186.20 per square foot. They also showed the most significant increase in sales per square foot of $47.20 per foot over year ago levels.

Income from leased departments rose to a full percentage point of total net sales in the largest store volume group with an accompanying increase (from 13.6 percent to 14.5 percent in income as a percent of leased department sales.)

## COMPARISON OF 1979 AND 1978 KEY FIGURES

GROSS MARGIN

| GROUP | 1979 Median | 1978 Median | YOUR FIRM |
|---|---|---|---|
| III ($500,000 to $999,999) | 41.3% | 38.9% | _____% |
| IV ($1,000,000 to $3,499,999) | 41.3% | 42.3% | _____% |
| V ($3,500,000 and over) | 43.6% | 43.3% | _____% |

INVENTORY TURNOVER

| GROUP | 1979 Median | 1978 Median | YOUR FIRM |
|---|---|---|---|
| III ($500,000 to $999,999) | 1.8 | 1.8 | _____ |
| IV ($1,000,000 to $3,499,999) | 1.7 | 1.9 | _____ |
| V ($3,500,000 and over) | 2.1 | 2.5 | _____ |

## 1979 COOPERATIVE ADVERTISING FUNDS RECEIVED AS A PERCENT OF GROSS PUBLICITY COST

| GROUP | Range of Common Experience | Median |
|---|---|---|
| III ($500,000 to $999,999) | 3.5- 8.1 | 7.1% |
| IV ($1,000,000 to $3,499,999) | 3.1-12.9 | 5.9% |
| V ($3,500,000 and over) | 5.1-15.3 | 7.5% |

## 1979 COMPOSITE OPERATING STATEMENT BY FIRM VOLUME

| (*EXPENSE DIVISION NUMBERS AND DEFINITIONS ARE IN ACCORDANCE WITH THE "MENSWEAR BASIC MANAGEMENT ACCOUNTING MANUAL" OF THE MRA FINANCIAL & OPERATIONS GROUP.) | GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 (64 Firms) | | GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999 (57 Firms) | | GROUP V FIRMS ANNUAL SALES $3,500,000 and over (19 Firms) | | YOUR FIRM |
|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | |
| **COST OF GOODS SOLD** (Percent of net sales, excluding leased departments, except as noted.) | | | | | | | |
| 1. Ending inventory at cost | 21.0-31.4 | 25.9 | 15.2-27.5 | 21.3 | 14.7-24.0 | 20.3 | _____% |
| 2. Gross cost of merchandise sold | 54.3-61.4 | 57.5 | 54.0-59.6 | 55.8 | 51.9-56.0 | 53.9 | _____ |
| 3. Net workroom costs | 1.2- 3.3 | 2.0 | 1.7- 3.4 | 2.7 | 1.4- 3.9 | 2.4 | _____ |
| a. Workroom payroll | 1.9- 4.5 | 2.5 | 1.8- 3.8 | 3.0 | 1.9- 3.8 | 3.1 | _____ |
| b. All other expenses | .1- .8 | .4 | .1- .5 | .2 | .1- .7 | .2 | _____ |
| 4. Total cost of merchandise sold | 56.0-62.4 | 58.9 | 56.5-61.9 | 58.7 | 55.1-58.0 | 56.5 | _____ |
| 5. Gross margin, excluding leased department income and sales | 37.6-44.0 | 41.1 | 38.1-43.5 | 41.3 | 42.0-44.9 | 43.5 | _____ |
| 6. Income from leased departments | .6- 6.0 | .9 | .7- 1.7 | .9 | .6- 2.0 | 1.0 | _____ |
| 7. Gross margin, including income from leased departments, as a percent of total net sales | 37.7-44.2 | 41.3 | 38.8-44.0 | 41.3 | 42.2-45.7 | 43.6 | _____ |
| Expense Div. No.* | | | | | | | |
| 8. 01 Payroll (total) | 14.6-24.0 | 19.3 | 14.1-22.9 | 17.5 | 13.7-23.2 | 18.6 | _____ |
| a. Payroll of owners and officers | 5.1- 9.3 | 6.9 | 3.4- 7.3 | 4.7 | 2.4- 4.2 | 3.4 | _____ |
| b. Selling payroll | 7.8-11.1 | 9.8 | 8.9-11.8 | 10.3 | 8.5-12.9 | 10.6 | _____ |
| c. Non-selling payroll | 1.6- 3.6 | 2.6 | 1.8- 3.8 | 2.5 | 2.8- 6.1 | 4.7 | _____ |
| 9. 03 Advertising | 2.1- 3.7 | 2.7 | 2.2- 4.3 | 3.0 | 2.8- 5.2 | 3.6 | _____ |
| 10. 04 Taxes (total) | 1.5- 2.5 | 1.8 | 1.7- 2.4 | 2.1 | 1.7- 2.5 | 1.9 | _____ |
| a. All state and local taxes with the exception of payroll taxes and Federal income taxes | .3 .9 | .5 | .3- .8 | .6 | .2- 1.0 | .6 | _____ |
| b. Social security and unemployment taxes | 1.1- 1.6 | 1.3 | 1.3- 1.7 | 1.4 | 1.3- 1.6 | 1.5 | _____ |
| 11. 05 Supplies | 1.4- 3.5 | 2.3 | 1.3- 2.9 | 2.2 | 1.4- 3.7 | 2.3 | _____ |
| a. Wrapping and packing supplies | .5- 1.2 | .8 | .4- 1.0 | .8 | .4- 1.2 | .6 | _____ |
| b. Other supplies (cleaning, stationery) | .2- 1.0 | .5 | .2- .6 | .4 | .2- .9 | .6 | _____ |
| c. Heat, light | .7- 1.3 | 1.0 | .7- 1.3 | 1.0 | .7- 1.6 | 1.1 | _____ |
| 12. 07 Services Purchased (Total) | .8- 2.8 | 1.5 | .8- 2.1 | 1.4 | .8- 2.1 | 1.6 | _____ |
| a. Data processing/service bureau charges | .4- 1.3 | .8 | .3- .8 | .5 | .3- 1.1 | .5 | _____ |
| b. Credit card service fees | .2 .7 | .3 | .3- .7 | .4 | .3- .5 | .4 | _____ |
| c. Other outside service fees, delivery, alarm service, buying offices, etc. | .2- .6 | .4 | .2- .6 | .5 | .3- 1.5 | .6 | _____ |
| 13. 08 Unclassified | .3- 1.0 | .6 | .2- 1.0 | .5 | .2- 1.2 | .6 | _____ |
| 14. 09 Traveling | .3- .8 | .6 | .3- .7 | .5 | .3- .7 | .5 | _____ |
| 15. 10 Communications | .3- .7 | .5 | .3- .6 | .4 | .5- .9 | .6 | _____ |
| 16. 11 Pensions | .7- 2.0 | 1.4 | .3- 1.7 | .9 | .3- 1.6 | .5 | _____ |
| 17. 12 Insurance (total) | 1.2- 2.5 | 1.8 | .9- 2.0 | 1.6 | 1.0- 1.7 | 1.3 | _____ |
| a. Workmen's compensation insurance, sickness, accident, group medical, group hospital and life insurance premiums | .6- 1.5 | .9 | .6- 1.3 | 1.1 | .6- 1.1 | .8 | _____ |
| b. All other insurance premiums | .6- 1.1 | .8 | .4- .7 | .5 | .4- .6 | .5 | _____ |
| 18. 13 Depreciation (total) | .5- 1.4 | .9 | .7- 1.4 | 1.0 | .8- 1.8 | 1.2 | _____ |
| 19. 14 Professional services | .1- .6 | .3 | .2- .5 | .4 | .1- .4 | .3 | _____ |
| 20. 15 Donations | .1- .2 | .1 | .0- .1 | .1 | .0- .1 | .1 | _____ |
| 21. 16 Bad debts | .1- .4 | .2 | .1- .4 | .2 | .3- .7 | .5 | _____ |
| 22. 17 Equipment costs | .2- .7 | .4 | .3- .9 | .4 | .3- .7 | .4 | _____ |
| 23. 20 Real property rentals | 1.7- 4.2 | 3.0 | 3.2- 5.5 | 4.2 | 3.1- 6.0 | 4.8 | _____ |
| 24. Total expenses | 33.2-41.5 | 37.6 | 34.5-42.5 | 39.4 | 38.7-41.9 | 40.5 | _____ |
| **NET GAIN** (Percent of total net sales, except as noted.) | | | | | | | |
| 25. Operating profit, including income from leased departments | .9- 6.3 | 3.1 | .3- 4.8 | 2.5 | 1.9- 5.1 | 3.6 | _____ |
| 26. a. Net other income | .5- 2.1 | 1.3 | .4- 1.9 | 1.0 | 1.1- 2.3 | 1.8 | _____ |
| b. Net other expense | .3- 2.2 | 1.0 | .6- 2.2 | 1.3 | .9- 2.2 | 1.3 | _____ |
| 27. Net profit, before Federal income taxes | 1.1- 6.5 | 3.5 | .5- 4.4 | 2.2 | 1.3- 6.0 | 3.5 | _____ |

## OPERATING EXPERIENCES BY FIRM VOLUME

### 1979 MERCHANDISING AND PRODUCTIVITY DATA

| | GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 (64 Firms) | | GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999 (57 Firms) | | GROUP V FIRMS ANNUAL SALES $3,500,000 and over (19 Firms) | | |
|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | YOUR FIRM |
| **SALES DATA** | | | | | | | |
| Increase in total net sales from last year | (3.3)- 9.6 | 0 | (3.9)- 7.4 | 1.8 | (1.2)- 5.0 | 1.5 | _____% |
| Sales per square foot of total store area in dollars | $69.0-117.8 | $84.1 | $94.4-161.9 | $128.2 | $95.6-153.1 | $133.9 | _____ |
| **SELLING AND ADVERTISING COST** | | | | | | | |
| Selling payroll, percent of net sales excluding leased departments | 7.8- 11.1 | 9.8 | 8.9- 1.8 | 10.3 | 8.5- 12.9 | 10.6 | _____ |
| Advertising, percent of net sales excluding leased departments | 2.1- 3.7 | 2.7 | 2.2- 4.3 | 3.0 | 2.8- 5.2 | 3.6 | _____ |
| **MERCHANDISING DATA** | | | | | | | |
| Annual stock turn, number of times at retail | 1.5- 2.4 | 1.8 | 1.6- 2.1 | 1.7 | 1.8- 2.5 | 2.1 | _____ |
| Transportation-in charges on goods purchased as a percent of total purchases | .6- 1.1 | .9 | .4- 1.0 | .7 | .5- .9 | .7 | _____ |
| Beginning 1979 inventory as a percent of 1978 sales | 20.6- 30.7 | 25.3 | 16.0- 29.0 | 21.9 | 14.0- 25.0 | 18.3 | _____ |
| Ending 1979 inventory as a percent of 1979 sales | 21.0- 31.4 | 25.9 | 15.2- 27.5 | 21.3 | 14.7- 24.0 | 20.3 | _____ |
| **ALTERATION DATA AND COST** | | | | | | | |
| Net workroom cost, percent of net sales excluding leased departments | 1.2- 3.3 | 2.0 | 1.7- 3.4 | 2.7 | 1.4- 3.9 | 2.4 | _____ |
| Net alterations cost, percent of men's clothing sales | 0- 7.2 | 5.5 | 4.3- 8.2 | 6.1 | 6.7- 11.8 | 8.0 | _____ |
| Income from alterations, percent of net sales excluding leased departments | .3- .9 | .5 | .3- .5 | .4 | .2- .7 | .4 | _____ |
| **PROFIT AND FINANCIAL DATA** | | | | | | | |
| Income from leased departments, percent of leased department sales | NA | NA | 12.3- 19.0 | 14.3 | 10.9- 31.1 | 14.5 | _____ |
| Cash discounts earned as % of net sales | .4- .9 | .6 | .4- 1.3 | .5 | .5- 1.7 | .6 | _____ |
| Net profit on net sales | 1.1- 6.5 | 3.5 | .5- 4.4 | 2.2 | 1.3- 6.0 | 3.5 | _____ |
| Net profit on net worth | 3.3- 26.6 | 12.8 | 2.0- 19.0 | 8.8 | 5.7- 20.4 | 12.7 | _____ |
| Net profit on net working capital | 2.6- 25.2 | 11.7 | 1.9- 16.9 | 9.6 | 6.7- 32.2 | 16.4 | _____ |

## 1979 PRODUCTIVITY INFORMATION

## BY FIRM VOLUME

| | GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 (64 Firms) | | GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999 (57 Firms) | | GROUP V FIRMS ANNUAL SALES $3,500,000 and over (19 Firms) | | |
|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | YOUR FIRM |
| Stock Turnover | 1.5- 2.4 | 1.8 | 1.6- 2.1 | 1.7 | 1.8- 2.5 | 2.1 | |
| Selling Area in Square Feet | 4,000-6,600 | 5,000 | 7,000-16,400 | 10,500 | 27,687-43,910 | 33,600 | |
| Sales per square foot of selling area ($) | $99.7-179.7 | $135.6 | $117.0- 205.9 | $169.8 | $115.4- 253.4 | $186.2 | |
| Cost of goods per square foot of selling area ($) | $57.3-103.3 | $ 76.9 | $ 62.9-115.2 | $ 94.2 | $67.1- 134.2 | $ 95.9 | |
| Gross Margin per square foot of selling area ($) | $39.6- 71.8 | $ 58.3 | $ 43.3- 84.7 | $ 62.8 | $ 47.7- 99.2 | $ 77.1 | |
| Operating Expenses per square foot of selling area ($) | $37.7- 66.4 | $ 50.4 | $ 42.0- 79.0 | $ 59.9 | $ 45.6- 88.6 | $ 68.9 | |
| Operating profit per square foot of selling area ($) | $ 1.1- 10.1 | $ 4.3 | $ .4- 6.7 | $ 3.3 | $ 2.7- 9.1 | $ 5.2 | |
| Total area selling and non selling in square feet | 5,100-10,000 | 7,687 | 9,765-19,600 | 14,000 | 39,100-76,790 | 50,178 | |
| Sales per square foot of total area ($) | $69.0-117.8 | $ 84.1 | $ 94.4- 161.9 | $128.2 | $ 95.6- 153.1 | $133.9 | |
| Cost of goods per square foot to total area ($) | $39.3- 71.9 | $ 50.1 | $ 54.0- 86.5 | $ 66.4 | $ 50.8- 83.2 | $ 66.1 | |
| Gross Margin per square foot of total area ($) | $26.1- 48.1 | $ 35.8 | $ 38.6- 68.1 | $ 47.6 | $ 39.3- 64.4 | $ 49.6 | |
| Operating expenses per square foot of total area ($) | $25.5- 45.9 | $ 32.1 | $ 34.6- 62.4 | $ 45.7 | $ 36.4- 60.4 | $ 48.3 | |
| Operating profit per square foot of total area ($) | $ .8- 6.2 | $ 2.6 | $ .3- 6.4 | $ 3.2 | $ 2.0- 5.9 | $ 3.0 | |

## 1979 METROPOLITAN (TRADING) AREA SIZE OPERATING EXPERIENCES

1979 sales per square foot of selling area leveled off from 1978 figures across the board with firms located in population centers of 100,000 to 500,000 being the exception with a $20 per square foot increase.

Firms located in the smallest trading areas showed the best gross margin improvement posting a 39.2% gross margin, up almost 3 points from 1978's performance. Firms located in population centers of 1,000,000 or more experienced the best gross margin performance of 43.1% percent excluding leased department income.

The three smallest population centers all exceeded the industry median (3.9%) for net profits with figures of 5.1 percent, 4.1 percent, and 4.2 percent respectively. The three largest population centers lagged in net profits with figures of 2.6 percent, 2.4 percent, and 1.5 percent.

Total expenses were mixed with population centers of 25,000 decreasing from 33.4 percent in 1978 to 32.6 for 1979 and population centers in the 500,000-1,000,000 range decreasing from 39.9 percent in 1978 to this year's 39.4 percent.

Advertising expense increased across the board for the three largest population centers with firms located in areas of 1,000,000 and above increasing the most from 1978's 3.4 percent to this year's 4.4 percent.

Annual stock turn rates again reflected improved levels of productivity for firms located in the two smallest population center groupings with the less than 25,000 group realizing a 2.0 turn, up from 1978's 1.7 rate, and firms in the 25,000 to 50,000 range experiencing a third of a turn increase to 21.

## 1979 COOPERATIVE ADVERTISING FUNDS RECEIVED AS A PERCENTAGE OF GROSS PUBLICITY COSTS

| Metro Group (Population) | Range of Common Experience | Median |
|---|---|---|
| Less than 25,000 | 3.3-14.5 | 7.6 |
| 25,000 to 50,000 | 3.2- 8.0 | 5.8 |
| 50,000 to 100,000 | 3.2- 8.9 | 5.0 |
| 100,000 to 500,000 | 2.3-16.4 | 4.9 |
| 500,000 to 1,000,000 | 4.0-12.0 | 7.6 |
| 1,000,000 and over | 6.7-24.7 | 7.4 |

## 1979 SALES PER SQUARE FOOT OF SELLING AND TOTAL STORE AREA

(in dollars)

| Metro Group (Population) | Selling Area | | Total Area | |
|---|---|---|---|---|
| | Range of Common Experience | Median | Range of Common Experience | Median |
| Less than 25,000 | $ 85-145 | $116 | $ 60-107 | $ 80 |
| 25,000 to 50,000 | $ 87-144 | $115 | $ 64-109 | $ 80 |
| 50,000 to 100,000 | $ 94-178 | $140 | $ 76-143 | $107 |
| 100,000 to 500,000 | $107-193 | $148 | $ 76-150 | $109 |
| 500,000 to 1,000,000 | $165-267 | $213 | $119-190 | $154 |
| 1,000,000 and over | $141-329 | $204 | $ 97-203 | $133 |

## 1979 COMPOSITE OPERATING STATEMENT BY METROPOLITAN (TRADING) AREA SIZE

| (*EXPENSE DIVISION NUMBERS AND DEFINITIONS ARE IN ACCORDANCE WITH THE "MENSWEAR BASIC MANAGEMENT ACCOUNTING MANUAL" OF THE MRA FINANCIAL & OPERATIONS GROUP.) | POPULATION Less Than 25,000 (44 Firms) | | POPULATION 25,000 to 49,000 (48 Firms) | | POPULATION 50,000 to 99,999 (42 Firms) | | POPULATION 100,000 to 499,999 (50 Firms) | | POPULATION 500,000 to 999,999 (15 Firms) | | POPULATION 1,000,000 and over (16 Firms) | | YOUR FIRM |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | |
| COST OF GOODS SOLD (Percent of net sales, excluding leased departments, except as noted.) | | | | | | | | | | | | | |
| 1. Ending inventory at cost | 19.5-31.7 | 26.0 | 17.9-31.9 | 24.7 | 19.4-33.8 | 27.0 | 14.5-30.3 | 22.9 | 20.3-32.0 | 24.6 | 19.5-32.2 | 25.5 | % |
| 2. Gross cost of merchandise sold | 57.4-64.6 | 59.4 | 54.7-61.8 | 58.8 | 55.3-61.2 | 57.7 | 53.4-58.5 | 55.5 | 53.4-56.3 | 55.1 | 51.8-56.5 | 54.2 | |
| 3. Net workroom costs | .6- 1.9 | 1.4 | .8- 2.3 | 1.5 | 1.2- 3.4 | 2.0 | 2.2- 3.7 | 2.8 | 1.5- 3.0 | 2.8 | 2.1- 4.8 | 3.1 | |
| a. Workroom payroll | .8- 2.5 | 1.7 | 1.3- 2.6 | 1.9 | 1.7- 3.2 | 2.2 | 2.2- 4.2 | 3.4 | 1.9- 3.5 | 2.7 | 2.6- 5.4 | 4.1 | |
| b. All other expenses | .1- 1.6 | .5 | .1- 1.1 | .3 | .1- 1.0 | .3 | .1- .7 | .4 | .1- .3 | .3 | .1- 1.2 | .3 | |
| 4. Total cost of merchandise sold | 58.2-65.1 | 60.8 | 56.2-63.3 | 60.4 | 56.6-62.2 | 59.7 | 56.2-62.4 | 57.6 | 54.8-59.1 | 57.8 | 54.4-60.0 | 56.9 | |
| 5. Gross margin excluding leased department income and sales | 34.9-41.8 | 39.2 | 36.7-43.8 | 39.6 | 37.8-43.4 | 40.3 | 37.6-43.8 | 42.4 | 40.9-45.2 | 42.2 | 40.0-45.6 | 43.1 | |
| 6. Income from leased departments | NA | NA | NA | NA | .5- 1.9 | .8 | .8- 2.5 | 1.3 | .7- 3.1 | .9 | .6- 1.4 | 1.1 | |
| 7. Gross margin, including income from leased departments, as a percent of total net sales | 34.9-41.8 | 39.2 | 37.3-44.4 | 39.8 | 38.2-43.5 | 40.5 | 38.5-44.4 | 42.9 | 40.9-46.5 | 42.4 | 40.8-46.2 | 43.8 | |
| Expense Div. No.* | | | | | | | | | | | | | |
| 8. 01 Payroll (total) | 14.0-23.3 | 19.5 | 13.4-25.2 | 19.5 | 14.0-22.3 | 17.8 | 14.0-23.6 | 18.2 | 13.4-22.7 | 19.7 | 12.2-25.8 | 19.2 | |
| a. Payroll of owners and officers | 4.7- 9.1 | 7.8 | 4.6- 9.7 | 6.9 | 4.5- 7.7 | 5.7 | 4.0- 7.8 | 5.6 | 3.0- 8.3 | 6.7 | 2.3- 6.4 | 3.2 | |
| b. Selling payroll | 7.9-11.1 | 9.6 | 7.3-11.9 | 10.1 | 8.1-11.9 | 10.1 | 8.2-11.1 | 9.4 | 8.0-10.7 | 10.0 | 7.0-13.3 | 10.6 | |
| c. Non-selling payroll | 1.4- 3.1 | 2.2 | 1.4- 3.7 | 2.5 | 1.5- 2.8 | 2.0 | 1.8- 4.6 | 3.2 | 2.4- 3.7 | 3.0 | 2.9- 6.2 | 5.4 | |
| 9. 03 Advertising | 1.9- 3.3 | 2.4 | 2.0- 3.6 | 2.8 | 2.0- 3.9 | 2.6 | 2.7- 4.4 | 3.5 | 2.7- 5.3 | 4.0 | 2.5- 4.8 | 4.4 | |

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| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10. | 04 | Taxes (total) | 1.3- 2.1 | 1.7 | 1.4- 2.5 | 1.9 | 1.4- 2.4 | 1.8 | 1.5- 2.4 | 2.0 | 1.8- 2.7 | 2.3 | 1.7- 2.4 | 2.1 | |
| | | a. All state and local taxes with the exception of payroll taxes and Federal income taxes | .4- .8 | .5 | .2- .8 | .5 | .2- .7 | .4 | .2- 1.0 | .7 | .3- 1.3 | .6 | .3- .8 | .6 | |
| | | b. Social security and unemployment taxes | .7- 1.3 | 1.2 | 1.0- 1.6 | 1.3 | 1.1- 1.6 | 1.4 | 1.0- 1.6 | 1.3 | 1.3- 1.7 | 1.5 | 1.3- 1.6 | 1.4 | |
| 11. | 06 | Supplies | 1.5- 3.4 | 2.4 | 1.5- 3.2 | 2.1 | 1.4- 3.6 | 2.2 | 1.3- 2.9 | 2.2 | 1.6- 3.3 | 2.3 | .9- 3.2 | 2.0 | |
| | | a. Wrapping and packing supplies | .6- 1.4 | .9 | .5- 1.1 | .7 | .6- 1.2 | 1.0 | .4- 1.0 | .7 | .4- 1.1 | .8 | .2- .9 | .5 | |
| | | b. Other supplies (cleaning, stationery) | .2- .7 | .5 | .2- .6 | .4 | .2- 1.1 | .4 | .3- .7 | .5 | .2- .8 | .3 | .2- .8 | .6 | |
| | | c. Heat, light | .7- 1.3 | 1.0 | .7- 1.5 | 1.0 | .7- 1.3 | .9 | .6- 1.2 | 1.0 | 1.0- 1.4 | 1.2 | .5- 1.5 | 1.0 | |
| 12. | 07 | Services Purchased (Total) | .5- 1.8 | 1.1 | .8- 2.7 | 1.3 | .7- 2.0 | 1.3 | .8- 2.4 | 1.5 | 1.2- 3.7 | 1.9 | .8- 2.8 | 1.4 | |
| | | a. Data processing/service bureau charges | .2- .8 | .5 | .5- 1.3 | .7 | .3- 1.0 | .6 | .3- .9 | .5 | .5- 1.1 | .6 | .2- .7 | .5 | |
| | | b. Credit card service fees | .2- .4 | .3 | .2- .5 | .2 | .2- .5 | .3 | .2- .6 | .4 | .4- 1.4 | .7 | .3- .7 | .4 | |
| | | c. Other outside service fees, delivery, alarm service, buying offices, etc. | .2- .6 | .3 | .2- .9 | .3 | .2- .5 | .4 | .3- .9 | .6 | .3- 1.2 | .6 | .2- 1.5 | .5 | |
| 13. | 08 | Unclassified | .1- .7 | .4 | .3- .9 | .6 | .3- .7 | .4 | .2- 1.1 | .5 | .3- 1.3 | .7 | .2- 1.1 | .6 | |
| 14. | 09 | Traveling | .4- 1.0 | .8 | .5- .9 | .7 | .4- .9 | .7 | .3- .7 | .4 | .5- 1.1 | .6 | .3- .7 | .5 | |
| 15. | 10 | Communications | .3- .7 | .4 | .4- .6 | .5 | .3- .6 | .4 | .3- .7 | .5 | .5- .9 | .6 | .4- .9 | .7 | |
| 16. | 11 | Pensions | .6- 2.0 | 1.5 | .4- 1.8 | 1.1 | .6- 2.0 | 1.4 | .6- 1.9 | .9 | .1- .7 | .3 | .2- 1.5 | .4 | |
| 17. | 12 | Insurance (total) | 1.0- 2.7 | 1.8 | .9- 2.3 | 1.5 | .9- 2.6 | 1.3 | 1.1- 2.2 | 1.6 | 1.2- 2.0 | 1.6 | .9- 2.5 | 1.5 | |
| | | a. Workmen's compensation insurance, sickness, accident, group medical, group hospital and life insurance premiums | .5- 1.6 | 1.1 | .4- 1.3 | .8 | .4- 1.5 | .7 | .7- 1.2 | .9 | .7- 1.3 | 1.0 | .6- 1.6 | .8 | |
| | | b. All other insurance premiums | .4- 1.1 | .7 | .5- 1.0 | .7 | .5- 1.1 | .6 | .4- 1.0 | .7 | .5- .7 | .6 | .3- .9 | .6 | |
| 18. | 13 | Depreciation (total) | .6- 1.5 | 1.0 | .4- 1.1 | .8 | .5- 1.4 | .8 | .8- 1.5 | 1.1 | .6- 1.4 | 1.1 | .6- 1.2 | .8 | |
| 19. | 14 | Professional services | .1- .6 | .3 | .2- .6 | .3 | .1- .6 | .4 | .2- .6 | .4 | .2- .7 | .5 | .2- .6 | .4 | |
| 20. | 15 | Donations | .1- .4 | .1 | .1- .2 | .1 | .1- .2 | .1 | .1- .1 | .1 | .1- .2 | .1 | .0- .2 | .1 | |
| 21. | 16 | Bad debts | .1- .5 | .2 | .1- .3 | .2 | .1- .4 | .2 | .1- .5 | .2 | .2- .8 | .3 | .1- .5 | .3 | |
| 22. | 17 | Equipment costs | .2- .7 | .4 | .2- .7 | .4 | .2- .8 | .4 | .2- .9 | .5 | .3- .8 | .5 | .2- .9 | .4 | |
| 23. | 20 | Real property rentals | 1.7- 3.3 | 2.4 | 1.7- 4.0 | 3.0 | 2.0- 5.1 | 3.6 | 3.2- 5.6 | 4.1 | 3.2- 5.2 | 4.5 | 3.3- 6.4 | 5.6 | |
| 24. | | Total expenses | 28.9-35.2 | 32.6 | 30.8-40.1 | 36.6 | 30.8-38.8 | 36.8 | 34.0-42.4 | 38.8 | 37.3-42.5 | 39.4 | 38.8-43.6 | 41.5 | |
| NET GAIN (Percent of total net sales, except as noted.) | | | | | | | | | | | | | | | |
| 25. | | Operating profit, including income from leased departments | 2.5- 9.1 | 5.4 | 1.1- 7.9 | 3.9 | .7- 7.2 | 4.2 | .7- 5.7 | 2.8 | 1.0- 4.8 | 2.9 | (.2)- 5.2 | 1.8 | |
| 26. | | a. Net other income | .4- 2.3 | .7 | .5- 1.5 | 1.0 | .3- 1.9 | .9 | .7- 2.3 | 1.4 | .2- 2.0 | .6 | .4- 2.0 | 1.5 | |
| | | b. Net other expense | .7- 2.6 | 1.5 | .4- 2.4 | 1.5 | .4- 2.4 | 1.5 | .4- 1.7 | 1.1 | .2- 1.9 | .6 | .8- 2.7 | 1.3 | |
| 27. | | Net profit, before Federal income taxes | 2.3- 8.7 | 5.1 | .9- 7.4 | 4.1 | 1.1- 7.5 | 4.2 | 1.0- 5.9 | 2.6 | 1.2- 4.9 | 2.4 | (1.3)- 6.0 | 1.5 | |

## OPERATING EXPERIENCES BY METROPOLITAN (TRADING) AREA SIZE
### 1979 MERCHANDISING AND PRODUCTIVITY DATA

| | POPULATION Less Than 25,000 (44 Firms) | | POPULATION 25,000 to 49,999 (48 Firms) | | POPULATION 50,000 to 99,999 (42 Firms) | | POPULATION 100,000 to 499,999 (50 Firms) | | POPULATION 500,000 to 999,999 (15 Firms) | | POPULATION 1,000,000 and over (16 Firms) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | YOUR FIRM |
| **SALES DATA** | | | | | | | | | | | | | |
| Increase in total net sales from last year | .5- 12.4 | 5.7 | (2.6)- 10.9 | 2.4 | (2.8)- 7.4 | 3.9 | (3.9)- 9.2 | 0 | (3.5)- 17.9 | (.2) | (4.1)- 5.0 | (.5) | ____% |
| Sales per square foot of total store area in dollars | $59.8-106.8 | $80.0 | $63.6-109.0 | $80.4 | $75.6-142.7 | $107.1 | $76.2-150.1 | $108.6 | $119.3-190.3 | $154.2 | $96.7-203.0 | $132.6 | ____ |
| **SELLING AND ADVERTISING COST** | | | | | | | | | | | | | |
| Selling payroll, percent of net sales excluding leased departments | 7.9- 11.1 | 9.6 | 7.3- 11.9 | 10.1 | 8.1- 11.9 | 10.1 | 8.2- 11.1 | 9.4 | 8.0- 10.7 | 10.0 | 7.0- 13.3 | 10.6 | ____ |
| Advertising, percent of net sales excluding leased departments | 1.9- 3.3 | 2.4 | 2.0- 3.6 | 2.8 | 2.0- 3.9 | 2.6 | 2.7- 4.4 | 3.5 | 2.7- 5.3 | 4.0 | 2.5- 4.8 | 4.4 | ____ |
| **MERCHANDISING DATA** | | | | | | | | | | | | | |
| Annual stock turn, number of times at retail | 1.7- 3.0 | 2.0 | 1.7- 2.9 | 2.1 | 1.3- 2.0 | 1.7 | 1.4- 2.6 | 1.8 | 1.7- 2.9 | 2.1 | 1.1- 2.2 | 1.4 | ____ |
| Transportation-in charges on goods purchased as a percent of net sales | .5- 1.5 | 1.0 | .7- 1.3 | .9 | .5- 1.3 | .9 | .5- .9 | .7 | .6- 1.2 | .9 | .4- .9 | .7 | ____ |
| Beginning 1979 inventory as a percent of 1978 sales | 21.9- 38.0 | 27.2 | 19.6- 31.8 | 24.0 | 20.4- 36.0 | 26.4 | 14.4- 29.5 | 21.4 | 20.0- 29.4 | 24.7 | 17.8- 29.8 | 26.0 | ____ |
| Ending 1979 inventory as a percent of 1979 sales | 19.5- 31.7 | 26.0 | 17.9- 31.9 | 24.7 | 19.3- 33.8 | 27.0 | 14.5- 30.3 | 22.9 | 20.3- 32.0 | 24.6 | 19.5- 32.2 | 25.5 | ____ |
| **ALTERATION DATA AND COST** | | | | | | | | | | | | | |
| Net workroom cost, percent of net sales excluding leased departments | .6- 1.9 | 1.4 | .8- 2.3 | 1.5 | 1.2- 3.4 | 2.0 | 2.2- 3.7 | 2.8 | 1.5- 3.0 | 2.8 | 2.1- 4.8 | 3.1 | ____ |
| Net alterations cost, percent of men's clothing sales | NA | NA | 2.5- 7.7 | 4.4 | 3.3- 7.0 | 5.6 | 4.6- 7.5 | 6.3 | 5.3- 10.4 | 6.1 | 1.7- 8.5 | 6.7 | ____ |
| Income from alterations, percent of net sales excluding leased departments | NA | NA | .2- .5 | .3 | .2- .6 | .3 | .3- .6 | .4 | .2- 1.1 | .5 | .3- 1.3 | .9 | ____ |
| **PROFIT AND FINANCIAL DATA** | | | | | | | | | | | | | |
| Income from leased departments, percent of leased department sales | NA | NA | NA | NA | 12.6- 68.2 | 19.3 | NA | NA | 14.4- 31.2 | 15.4 | 11.5- 15.1 | 13.7 | ____ |
| Cash discounts earned as % of net sales | .3- 1.4 | .5 | .4- 1.9 | 1.1 | .4- .9 | .5 | .4- .7 | .5 | .3- 1.1 | .5 | .3- .6 | .5 | ____ |
| Net profit on net sales | 2.3- 8.7 | 5.1 | .9- 7.4 | 4.1 | 1.1- 7.5 | 4.2 | .9- 5.9 | 2.6 | 1.2- 4.9 | 2.4 | (1.3)- 6.0 | 1.5 | ____ |
| Net profit on net worth | 4.8- 25.8 | 16.7 | 4.2- 24.2 | 14.9 | 3.4- 28.8 | 13.2 | 3.8- 21.4 | 9.8 | 3.1- 19.4 | 14.8 | (7.9)- 33.7 | 7.7 | ____ |
| Net profit on net working capital | 6.7- 28.0 | 14.6 | 4.7- 33.7 | 14.6 | 3.0- 31.3 | 12.4 | 2.5- 23.7 | 10.1 | 3.6- 23.7 | 13.6 | (8.2)- 41.1 | 5.2 | ____ |

## 1979 GEOGRAPHIC OPERATING EXPERIENCES

Firms located in the west experienced the best sales increase over last year with a 6.9% increase compared to an industry median of 2.4%. Firms located in the Central, Southwest, and Northeast regions also outpaced the industry median while firms located in the North Central and Southeast regions fell short.

Sales per square foot of selling area experienced an across the board increase for all regions with the Western region showing the best improvement from $136 per square foot to $164, representing a gain of $28 per square foot of selling area.

Gross margin, excluding leased department income increased in all regions except the Northeast which had a decrease of .1 percent.

Net Workroom cost as a percent of net sales was mixed in comparison to 1978 levels with the Southwest, having a small response base, showing the greatest increase from 2.2 percent to 3.6 percent and the Western region decreasing from 2.4 percent to 1.4 percent.

Total expense figures fluctuated with firms located in the Northeast experiencing a 2.9 percent increase in expenses while the Southwest enjoyed a 2 percent decrease in the total expense category. The remaining firms remained within one percentage point of 1978 expense levels.

With the exception of the Western region, whose profit figure fell by .3 percent, all regions showed an increase in net profits.

## 1979 COOPERATIVE ADVERTISING FUNDS RECEIVED AS A PERCENTAGE OF GROSS PUBLICITY COSTS

| Geographic Area | Range of Common Experience | Median |
|---|---|---|
| Northeast | 3.5-13.3 | 6.2 |
| Southeast | 4.3- 6.5 | 6.0 |
| North Central | 3.0- 8.6 | 5.7 |
| Central | 3.8-13.2 | 6.3 |
| Southwest | NA | NA |
| West | 4.4-14.2 | 12.7 |

## 1979 SALES PER SQUARE FOOT OF SELLING AND TOTAL STORE AREA

(In Dollars)

| | Selling Area | | Total Area | |
|---|---|---|---|---|
| Geographic Area | Range of Common Experience | Median | Range of Common Experience | Median |
| Northeast | $119-208 | $165 | $ 75-141 | $103 |
| Southeast | $ 94-188 | $141 | $ 72-142 | $ 94 |
| North Central | $ 95-176 | $125 | $ 69-133 | $ 91 |
| Central | $ 88-163 | $124 | $ 66-126 | $ 88 |
| Southwest | $ 68-249 | $ 86 | $ 60-226 | $111 |
| West | $ 98-207 | $164 | $ 78-151 | $114 |

## 1979 COMPOSITE OPERATING STATEMENT BY GEOGRAPHIC AREA

| (*EXPENSE DIVISION NUMBERS AND DEFINITIONS ARE IN ACCORDANCE WITH THE "MENSWEAR BASIC MANAGEMENT ACCOUNTING MANUAL" OF THE MRA FINANCIAL & OPERATIONS GROUP.) | FEDERAL RESERVE DISTRICTS | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | NORTHEAST Boston, Philadelphia, New York, F.R. Dists. (34 Firms) | | SOUTHEAST Richmond, Atlanta R.R. Dists. (37 Firms) | | NORTH CENTRAL Cleveland, Chicago F.R. Dists. (67 Firms) | | CENTRAL St. Louis, Minneapolis, Kansas City F.R. Dists. (48 Firms) | | SOUTHWEST Dallas F.R. Dist. (8 Firms) | | WEST San Francisco F.R. Dist. (24 Firms) | | |
| | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | YOUR FIRM |
| COST OF GOODS SOLD (Percent of net sales, excluding leased departments, except as noted.) | | | | | | | | | | | | | ___% |
| 1. Ending inventory at cost | 17.7-31.5- | 23.3 | 17.2-31.2 | 25.8 | 17.5-31.5 | 24.6 | 18.3-32.4 | 23.6 | 18.4-37.8 | 25.9 | 21.7-33.9 | 26.5 | ___ |
| 2. Gross cost of merchandise sold | 52.5-61.9 | 57.0 | 53.8-61.8 | 56.7 | 55.5-62.7 | 58.8 | 54.8-60.6 | 57.0 | 51.8-56.3 | 53.2 | 51.9-60.6 | 55.3 | ___ |
| 3. Net workroom costs | 1.1- 4.6 | 3.1 | 1.6- 3.4 | 2.2 | 1.2- 3.4 | 2.3 | 1.1- 2.2 | 1.8 | 2.8- 3.7 | 3.6 | .4- 2.4 | 1.4 | ___ |
| a. Workroom payroll | 1.3- 4.4 | 3.5 | 1.7- 3.5 | 2.1 | 1.9- 3.5 | 2.6 | .9- 2.9 | 2.2 | 3.4- 3.9 | 3.5 | 1.5- 3.5 | 2.1 | ___ |
| b. All other expenses | .1- .6 | .2 | .1- 1.7 | .3 | .1- .8 | .4 | .1- 1.5 | .5 | .1- .5 | .4 | .1- .6 | .3 | ___ |
| 4. Total cost of merchandise sold | 56.0-62.8 | 59.4 | 55.4-64.0 | 58.6 | 58.3-63.8 | 61.1 | 56.4-61.8 | 58.6 | 55.5-58.4 | 56.8 | 53.6-61.0 | 56.0 | ___ |
| 5. Gross margin, excluding leased department income and sales | 37.2-44.0 | 40.6 | 36.0-44.6 | 41.5 | 36.2-41.7 | 38.9 | 38.2-43.6 | 41.4 | 41.6-44.5 | 43.2 | 39.0-46.4 | 44.0 | ___ |
| 6. Income from leased departments | .4- 5.9 | .8 | .7- 1.2 | .9 | .8- 2.1 | 1.3 | .5- 1.4 | 1.0 | .5- 2.0 | 1.3 | NA | NA | ___ |
| 7. Gross margin, including income from leased departments, as a percent of total net sales | 37.2-44.6 | 41.5 | 37.0-44.7 | 41.7 | 36.4-42.0 | 39.4 | 38.2-43.9 | 41.5 | 41.6-45.2 | 43.9 | 39.0-47.2 | 44.0 | ___ |
| Expense Div. No.* | | | | | | | | | | | | | |
| 8. 01 Payroll (total) | 13.9-23.2 | 18.9 | 14.1-23.9 | 19.3 | 13.5-23.9 | 18.8 | 14.1-23.8 | 18.3 | 11.2-24.8 | 17.6 | 13.2-24.2 | 18.7 | ___ |
| a. Payroll of owners and officers | 3.6- 7.7 | 6.2 | 4.3- 8.5 | 6.6 | 4.2- 8.6 | 6.4 | 4.6- 8.7 | 6.4 | 2.9- 8.3 | 5.1 | 4.1- 8.9 | 6.0 | ___ |
| b. Selling payroll | 8.5-12.0 | 9.8 | 8.0-11.8 | 10.2 | 7.8-11.8 | 10.2 | 7.8-10.8 | 9.6 | 6.2- 8.2 | 7.5 | 8.0-11.1 | 9.7 | ___ |
| c. Non-selling payroll | 1.9- 3.6 | 2.9 | 1.9- 3.7 | 2.6 | 1.5- 3.5 | 2.1 | 1.7- 4.3 | 2.2 | 2.1- 8.3 | 4.9 | 1.0- 4.1 | 3.0 | ___ |
| 9. 03 Advertising | 2.1- 4.5 | 3.2 | 1.7- 3.6 | 2.8 | 2.0- 4.0 | 3.0 | 2.1- 4.1 | 2.7 | 3.0- 4.7 | 4.2 | 2.0- 3.7 | 2.8 | ___ |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10. | 04 | Taxes (total) | 1.4- 2.6 | 2.1 | 1.4- 2.3 | 1.8 | 1.6- 2.5 | 1.9 | 1.3- 2.1 | 1.8 | 1.4- 2.3 | 1.6 | 1.7- 2.5 | 2.0 | | |
| | | a. All state and local taxes with the exception of payroll taxes and Federal income taxes | .2- .9 | .5 | .4- .8 | .5 | .3- 1.1 | .7 | .2- .6 | .4 | .3- .9 | .5 | .2- 1.2 | .7 | | |
| | | b. Social security and unemployment taxes | 1.0- 1.7 | 1.4 | 1.1- 1.5 | 1.3 | 1.0- 1.6 | 1.3 | .9- 1.6 | 1.3 | 1.1- 1.4 | 1.3 | 1.3- 1.6 | 1.4 | | |
| 11. | 06 | Supplies | 1.3- 3.7 | 2.1 | 1.5- 3.1 | 2.2 | 1.6- 3.2 | 2.3 | 1.3- 3.1 | 2.2 | 1.7- 4.9 | 3.1 | 1.2- 3.0 | 1.7 | | |
| | | a. Wrapping and packing supplies | .4- 1.3 | .6 | .6- 1.3 | .8 | .6- 1.1 | .8 | .4- 1.1 | .7 | .3- 1.7 | 1.0 | .4- 1.1 | .6 | | |
| | | b. Other supplies (cleaning, stationery) | .2- 1.1 | .5 | .2- .6 | .3 | .2- .8 | .4 | .3- .9 | .5 | .4- 1.5 | .7 | .2- .8 | .4 | | |
| | | c. Heat, light | .7- 1.4 | 1.0 | .7- 1.3 | 1.0 | .8- 1.4 | 1.1 | .7- 1.1 | .9 | 1.0- 1.8 | 1.4 | .5- 1.1 | .7 | | |
| 12. | 07 | Services Purchased (Total) | .8- 1.8 | 1.2 | .8- 3.2 | 1.4 | .6- 2.0 | 1.3 | .7- 2.4 | 1.4 | 1.0- 3.4 | 1.6 | .9- 3.3 | 2.0 | | |
| | | a. Data processing/service bureau charges | .4- .6 | .5 | .4- 1.6 | .6 | .2- .8 | .6 | .3- .8 | .6 | .4- 1.6 | .5 | .4- 1.6 | 1.0 | | |
| | | b. Credit card service fees | .2- .6 | .3 | .2- .8 | .3 | .2- .5 | .3 | .2- .5 | .3 | .4- .6 | .6 | .2- .6 | .4 | | |
| | | c. Other outside service fees, delivery, alarm service, buying offices, etc. | .2- .6 | .4 | .2- .9 | .4 | .2- .7 | .5 | .2- 1.1 | .5 | .2- 1.2 | .5 | .2- 1.1 | .5 | | |
| 13. | 08 | Unclassified | .2- 1.1 | .4 | .3- 1.0 | .5 | .2- .7 | .4 | .3- 1.0 | .7 | .2- 1.1 | .7 | .3- 1.0 | .5 | | |
| 14. | 09 | Traveling | .4- .8 | .6 | .3- .8 | .5 | .3- .9 | .5 | .4- 1.0 | .7 | .3- 1.1 | .5 | .5- .9 | .8 | | |
| 15. | 10 | Communications | .3- .7 | .5 | .4- .8 | .6 | .3- .6 | .5 | .4- .7 | .5 | .3- 1.0 | .7 | .3- .7 | .4 | | |
| 16. | 11 | Pensions | .8- 2.0 | 1.3 | .3- 1.7 | .7 | .4- 1.9 | .9 | .4- 1.5 | .9 | .5- 2.2 | .9 | .7- 2.0 | 1.0 | | |
| 17. | 12 | Insurance (total) | 1.2- 2.9 | 1.9 | 1.0- 2.1 | 1.3 | 1.1- 2.5 | 1.8 | .9- 2.1 | 1.5 | .9- 2.0 | 1.4 | 1.0- 2.1 | 1.8 | | |
| | | a. Workmen's compensation insurance, sickness, accident, group medical, group hospital and life insurance premiums | .8- 1.7 | .9 | .5- 1.1 | .7 | .7- 1.5 | 1.1 | .5- 1.2 | .8 | .4- 1.0 | .7 | .5- 1.5 | 1.2 | | |
| | | b. All other insurance premiums | .5- 1.2 | .9 | .4- .9 | .7 | .4- 1.0 | .7 | .4- .9 | .6 | .5- 1.0 | .7 | .5- .7 | .5 | | |
| 18. | 13 | Depreciation (total) | .7- 1.6 | 1.0 | .4- 1.4 | .9 | .5- 1.1 | .9 | .5- 1.8 | 1.1 | .6- 1.2 | 1.1 | .6- 1.5 | .8 | | |
| 19. | 14 | Professional services | .2- .5 | .3 | .3- .7 | .4 | .2- .7 | .5 | .2- .5 | .3 | .3- .6 | .4 | .1- .7 | .5 | | |
| 20. | 15 | Donations | .0- .2 | .1 | .0- .2 | .1 | .1- .2 | .1 | .1- .2 | .1 | .1- .2 | .1 | .1- .2 | .1 | | |
| 21. | 16 | Bad debts | .1- .3 | .1 | .2- .8 | .3 | .1- .3 | .2 | .1- .4 | .2 | .0- 1.0 | .4 | .2- .5 | .3 | | |
| 22. | 17 | Equipment costs | .3- 1.0 | .4 | .3- .7 | .5 | .2- .6 | .4 | .2- .8 | .4 | .4- 2.3 | 1.0 | .2- .7 | .4 | | |
| 23. | 20 | Real property rentals | 2.1- 5.0 | 3.4 | 1.5- 4.2 | 3.1 | 1.9- 4.8 | 2.8 | 2.1- 5.1 | 4.0 | 2.5- 4.9 | 3.6 | 3.7- 5.3 | 4.4 | | |
| 24. | | Total expenses | 32.1-41.5 | 38.3 | 33.1-41.5 | 37.3 | 31.5-39.4 | 36.1 | 31.6-41.5 | 36.5 | 36.1-42.3 | 39.8 | 32.9-43.8 | 38.5 | | |
| NET GAIN (Percent of total net sales, except as noted.) | | | | | | | | | | | | | | | | |
| 25. | | Operating profit, including income from leased departments | .2- 8.1 | 3.6 | 1.1- 7.9 | 2.6 | .9- 6.3 | 3.3 | .8- 8.5 | 4.4 | 1.8- 5.9 | 4.7 | 2.1- 7.4 | 4.1 | | |
| 26. | | a. Net other income | .3- 2.6 | 1.0 | .3- 2.6 | .9 | .4- 2.0 | 1.3 | .4- 1.9 | .9 | .3- 2.2 | 1.8 | .4- 2.2 | 1.7 | | |
| | | b. Net other expense | .3- 2.3 | 1.3 | .3- 2.2 | 1.0 | .5- 2.1 | 1.1 | 1.0- 2.8 | 1.6 | .3- 3.0 | 1.4 | .6- 1.7 | 1.1 | | |
| 27. | | Net profit, before Federal income taxes | .7- 7.5 | 2.5 | .8- 8.8 | 3.8 | 1.1- 5.0 | 3.5 | .7- 8.2 | 4.3 | 1.3- 5.9 | 4.9 | 2.4- 7.2 | 4.2 | | |

## MERCHANDISING INFORMATION BY GEOGRAPHIC AREA

### 1979 DISTRIBUTION OF SALES BY MAJOR MERCHANDISE CLASSIFICATIONS

| | MEN'S CLOTHING SALES | MEN'S SPORTSWEAR SALES | MEN'S FURNISHINGS SALES |
|---|---|---|---|
| **NORTHEAST** | | | |
| Range | 34.3-57.6 | 14.9-33.5 | 13.7-21.8 |
| Median | 48.8 | 20.9 | 18.0 |
| **SOUTHEAST** | | | |
| Range | 33.3-58.8 | 12.5-27.2 | 13.2-22.9 |
| Median | 39.2 | 15.9 | 14.8 |
| **NORTH CENTRAL** | | | |
| Range | 32.6-61.1 | 14.1-30.9 | 13.7-20.4 |
| Median | 48.3 | 20.7 | 16.4 |
| **CENTRAL** | | | |
| Range | 28.2-54.9 | 11.4-39.1 | 9.4-20.2 |
| Median | 41.7 | 27.2 | 15.4 |
| **SOUTHWEST** | | | |
| Range | 34.7-54.0 | 19.0-31.7 | 14.4-22.8 |
| Median | 48.4 | 24.0 | 17.4 |
| **WEST** | | | |
| Range | 23.8-52.9 | 16.9-34.2 | 11.8-19.1 |
| Median | 38.1 | 28.8 | 15.8 |

### 1979 MARKDOWNS AS A PERCENTAGE OF TOTAL MARKDOWNS FOR THE THREE MAJOR MEN'S WEAR MERCHANDISE CLASSIFICATIONS

| | MEN'S CLOTHING MARKDOWNS | MEN'S SPORTSWEAR MARKDOWNS | MEN'S FURNISHINGS MARKDOWNS |
|---|---|---|---|
| **NORTHEAST** | | | |
| Range | 32.6-63.7 | 13.5-24.6 | 6.0-18.0 |
| Median | 51.3 | 19.9 | 13.8 |
| **SOUTHEAST** | | | |
| Range | 29.9-52.9 | 12.3-32.8 | 7.8-13.4 |
| Median | 41.2 | 15.3 | 9.2 |
| **NORTH CENTRAL** | | | |
| Range | 33.9-64.6 | 13.7-28.8 | 6.9-14.3 |
| Median | 53.5 | 19.8 | 10.6 |
| **CENTRAL** | | | |
| Range | 34.1-68.4 | 10.9-32.2 | 6.6-14.6 |
| Median | 51.7 | 18.6 | 12.6 |
| **SOUTHWEST** | | | |
| Range | 33.0-60.2 | 7.1-36.4 | 7.1-16.7 |
| Median | 55.1 | 27.0 | 9.2 |
| **WEST** | | | |
| Range | 25.3-57.3 | 16.4-30.7 | 6.3-13.8 |
| Median | 47.4 | 20.7 | 8.6 |

## OPERATING EXPERIENCES BY GEOGRAPHIC AREA
### 1979 MERCHANDISING AND PRODUCTIVITY DATA

| | NORTHEAST Boston, Philadelphia, New York, F.R. Dists. (34 Firms) | | SOUTHEAST Richmond, Atlanta F.R. Dists. (37 Firms) | | NORTH CENTRAL Cleveland, Chicago F.R. Dists. (67 Firms) | | CENTRAL St. Louis, Minneapolis, Kansas City F.R. Dists. (48 Firms) | | SOUTHWEST Dallas F.R. Dist. (8 Firms) | | WEST San Francisco F.R. Dist. (24 Firms) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | Range of Common Experience | Median Firm | YOUR FIRM |
| **SALES DATA** | | | | | | | | | | | | | |
| Increase in total net sales from last year | (3.2)- 7.8 | 4.1 | (4.0)- 9.4 | 1.3 | (3.4)- 7.3 | .9 | (3.3)- 11.4 | 4.3 | (2.2)- 12.8 | 3.8 | 2.6- 13.2 | 6.9 | ___% |
| Sales per square foot of total store area in dollars | $75.0-141.0 | $102.9 | $72.0-142.0 | $ 94.0 | $68.8-133.1 | $ 90.9 | $65.6-125.3 | $ 88.5 | $59.7-226.2 | $111.0 | $78.1-150.6 | $113.8 | ____ |
| **SELLING AND ADVERTISING COST** | | | | | | | | | | | | | |
| Selling payroll, percent of net sales excluding leased departments | 8.5- 12.0 | 9.8 | 8.0- 11.8 | 10.2 | 7.8- 11.8 | 10.2 | 7.8- 10.8 | 9.6 | 6.2- 8.2 | 7.5 | 8.0- 11.1 | 9.7 | ____ |
| Advertising, percent of net sales excluding leased departments | 2.1- 4.5 | 3.2 | 1.7- 3.6 | 2.8 | 2.0- 4.0 | 3.0 | 2.1- 4.1 | 2.7 | 3.0- 4.7 | 4.2 | 2.0- 3.7 | 2.8 | ____ |
| **MERCHANDISING DATA** | | | | | | | | | | | | | |
| Annual stock turn, number of times at retail | 1.5- 2.4 | 2.1 | 1.3- 3.2 | 2.1 | 1.5- 2.6 | 1.7 | 1.6- 2.5 | 1.9 | 1.2- 2.1 | 1.8 | 1.7- 2.1 | 1.9 | ____ |
| Transportation in charges on goods purchased as a percent of net sales | .3- 1.0 | .6 | .5- 1.1 | .7 | .4- 1.0 | .8 | .5- 1.3 | .9 | .7- 1.1 | 1.0 | .9- 1.4 | 1.3 | ____ |
| Beginning 1979 inventory as a percent of 1978 sales | 16.9- 25.4 | 22.6 | 21.5- 30.3 | 27.2 | 20.4- 31.6 | 24.8 | 17.4- 32.9 | 23.7 | 18.6- 57.6 | 28.2 | 21.4- 37.0 | 27.0 | ____ |
| Ending 1979 inventory as a percent of 1979 sales | 17.7- 31.5 | 23.3 | 17.2- 31.2 | 25.8 | 17.5- 31.5 | 24.6 | 18.3- 32.4 | 23.6 | 18.4- 37.8 | 25.9 | 21.7- 33.9 | 26.5 | ____ |
| **ALTERATION DATA AND COST** | | | | | | | | | | | | | |
| Net workroom cost, percent of net sales excluding leased departments | 1.1- 4.6 | 3.1 | 1.6- 3.4 | 2.2 | 1.2- 3.4 | 2.3 | 1.1- 2.2 | 1.8 | 2.8- 3.7 | 3.6 | .4- 2.4 | 1.4 | ____ |
| Net alterations cost, percent of men's clothing sales | 2.7- 10.2 | 6.7 | .0- 6.5 | 3.9 | 4.0- 8.0 | 5.8 | 3.0- 6.4 | 4.1 | 2.1- 9.6 | 6.4 | 1.0- 8.6 | 5.7 | ____ |
| Income from alterations, percent of net sales excluding leased departments | .3- .8 | .4 | .2- 2.2 | .4 | .3- .6 | .4 | .2- .8 | .4 | .2- 1.0 | .3 | .2- .6 | .3 | ____ |
| **PROFIT AND FINANCIAL DATA** | | | | | | | | | | | | | |
| Income from leased departments, percent of leased department sales | 12.5- 57.3 | 14.0 | 10.3- 14.8 | 11.5 | 12.9- 31.2 | 22.0 | 13.0- 57.7 | 14.7 | NA | NA | NA | NA | ____ |
| Cash discounts earned | .4- 1.8 | .6 | .5- 1.1 | .6 | .4- .8 | .5 | .3- 1.1 | .5 | .4- 1.3 | .6 | .3- 1.2 | .4 | ____ |
| Net profit on net sales | .7- 7.5 | 2.5 | .8- 8.8 | 3.8 | 1.1- 5.0 | 3.5 | .7- 8.2 | 4.3 | 1.3- 5.9 | 4.9 | 2.4- 7.2 | 4.2 | ____ |
| Net profit on net worth | 1.9- 34.4 | 12.8 | 2.3- 28.3 | 13.0 | 3.6- 20.4 | 10.5 | 2.1- 24.2 | 15.0 | 3.6- 23.8 | 4.5 | 9.1- 25.6 | 17.0 | ____ |
| Net profit on net working capital | 2.0- 28.2 | 9.6 | 2.4- 31.0 | 15.9 | 3.9- 22.5 | 10.9 | 2.0- 32.8 | 15.1 | 3.3- 27.7 | 6.7 | 9.5- 28.1 | 13.7 | |

## Geographic Areas by Federal Reserve Districts

### Map Explanation:

Area designations are based on combinations of Federal Reserve Districts.

### Key

| Area | Federal Reserve District |
|---|---|
| Northeast | Boston, Philadelphia, New York |
| Southeast | Richmond, Atlanta |
| Central | St. Louis, Minneapolis, Kansas City |
| North Central | Cleveland, Chicago |
| Southwest | Dallas |
| West | San Francisco |



# MRA PUBLICATIONS FOR PROFIT BUILDING

**EXTRA INCENTIVES FOR RETAIL SALESPEOPLE** — by Louis Moses. To help you increase sales, this 115-page publication guides you through 23 proven incentive ideas used in men's wear stores with full details on getting your salespeople involved, prizes, and reporting of results. A contest idea for every occasion. Published 1972. $5.00. Order No. MRA-26.

**ANNUAL BUSINESS SURVEY** — A compendium of information obtained through a mail survey of MRA members. Compare your store's performance with the range of common experience and obtain a clear insight into your operating procedures. $20.00. Order No. MRA-29.

**MANAGEMENT BY OBJECTIVES** — Claire Maluso. Increase profits and productivity through a comprehensive program of planned business growth . . . the results of MBO as outlined in a how-to book of 91 pages. Covers all aspects of MBO from job description to developing standards of performance for all store employees. Published 1975. $10.00. Order No. MRA-31.

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## 1980 and 1981 4-5-4 CALENDAR

### 1980

**February**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 1 |

**March**

| | | | | | | |
|---|---|---|---|---|---|---|
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | 1 | 2 | 3 | 4 | 5 |

**April**

| | | | | | | |
|---|---|---|---|---|---|---|
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | 1 | 2 | 3 |

**May**

| | | | | | | |
|---|---|---|---|---|---|---|
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 |

**June**

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | 1 | 2 | 3 | 4 | 5 |

**July**

| | | | | | | |
|---|---|---|---|---|---|---|
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | 31 | 1 | 2 |

**August**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |

**September**

| | | | | | | |
|---|---|---|---|---|---|---|
| 31 | 1 | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 1 | 2 | 3 | 4 |

**October**

| | | | | | | |
|---|---|---|---|---|---|---|
| 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | 31 | 1 |

**November**

| | | | | | | |
|---|---|---|---|---|---|---|
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |

**December**

| | | | | | | |
|---|---|---|---|---|---|---|
| 30 | 1 | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 | 1 | 2 | 3 |

**January 1981**

| | | | | | | |
|---|---|---|---|---|---|---|
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 |

### 1981

**February**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |

**March**

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | 31 | 1 | 2 | 3 | 4 |

**April**

| | | | | | | |
|---|---|---|---|---|---|---|
| 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | 1 | 2 |

**May**

| | | | | | | |
|---|---|---|---|---|---|---|
| 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |

**June**

| | | | | | | |
|---|---|---|---|---|---|---|
| 31 | 1 | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 1 | 2 | 3 | 4 |

**July**

| | | | | | | |
|---|---|---|---|---|---|---|
| 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | 31 | 1 |

**August**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |

**September**

| | | | | | | |
|---|---|---|---|---|---|---|
| 30 | 31 | 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | 1 | 2 | 3 |

**October**

| | | | | | | |
|---|---|---|---|---|---|---|
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 |

**November**

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |

**December**

| | | | | | | |
|---|---|---|---|---|---|---|
| 29 | 30 | 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | 31 | 1 | 2 |

**January 1982**

| | | | | | | |
|---|---|---|---|---|---|---|
| 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |

# THE 1980 PRESIDENT'S CIRCLE

The President's Circle consists of those members who continue to support MRA's activities at an investment level at least double the annual investment schedule as well as those members who have directly sponsored a new member at press time in 1980.

MRA proudly salutes the following members and acknowledges their industry leadership.

On behalf of our officers and Board of Directors, it is a special pleasure to applaud these outstanding members this year.

Sam A. Pasch
*President*

## MEMBERS OF THE PRESIDENT'S CIRCLE

M. ALEXANDER, INC.
Boise, ID

ANTON'S
Mount Clemens, MI

AL BASKIN COMPANY
Joliet, IL

BISTRIN'S
Eureka, CA

BRICK'S
Wichita, KS

BRITTANY, LTD.
Chicago, IL

CAPLAN'S MEN'S STORE
Alexandria, LA

CHELSEA
Wyandotte, MI

COTTRELL'S
Denver, CO

JULIAN CRYSTAL
Hollywood, CA

DAVIDSON'S
Roanoke, VA

EDWARD'S MEN'S SHOP, INC.
Saginaw, MI

THE FELL COMPANY
Winnetka, IL

GRASSFIELD'S GANO DOWNS
Denver, CO

HART SCHAFFNER & MARX
Chicago, IL

THE HUB CLOTHIERS
Springfield, IL

THE HUB
Madison, WI

JOSEPH'S
San Antonio, TX

JURGENS & HOLTVLUWER
Grand Rapids, MI

K-G MEN'S STORE
Englewood, CO

LA ESQUINA FAMOSA
San Juan, PR

LARRIMOR'S
Pittsburgh, PA

MAY'S OF MICHIGAN
Grand Rapids, MI

ED MITCHELL, INC.
Westport, CT

NORTON DITTO COMPANY
Houston, TX

PHILLIPS' MEN'S SHOP
Laurel, DE

PURITAN CLOTHING COMPANY
Hyannis, MA

PURITAN CLOTHING COMPANY
Plymouth, MA

THE RAPP COMPANY
Lafayette, IN

THE REGIMENT, LTD.
Boulder, CO

ROPER'S
Burley, ID

RUBENSTEIN BROTHERS
New Orleans, LA

RUSSELL BROTHERS CLOTHING
Warrensburg, MO

ST. CLAIR STORES
Mason City, IA

OTTO SPEAKE MEN'S WEAR
Florence, AL

THE STRAUS COMPANY
Fargo, ND

STROMBERG'S
Albuquerque, NM

WADE'S
Walla Walla, WA

WINAN'S MEN'S SHOP, INC.
Oneonta, NY

MRA
MENSWEAR RETAILERS OF AMERICA
390 National Press Building
Washington, D.C. 20045
(202) 347-1932

# NCS Provides Low-Cost Source for Supplies, Materials, Systems . . . All Your Store Supplies!

National Clothier Service, wholly-owned subsidiary of MRA, headquartered in Chicago, operated and directed by our membership, provides a cooperative, trustworthy, one-stop source for all retail store supplies.

You are assured of the lowest prices possible based on quality standards and best business practices consistent with our superior services. Each MRA member receives the NCS illustrated supply catalog on a regular basis. It lists, describes and prices a complete selection of such items as: racks and displays, shelf and hangrail hardware, lighting fixtures, display forms, office supplies, business forms, in-store display materials, wrapping paper and packaging supplies . . . everything you need.

Yes, you can telephone your orders toll-free . . . and expect immediate delivery!

The Board of Directors of the National Clothier Service is composed of leading menswear retailers elected by the MRA Board of Directors. They guide the activities of NCS to insure the most economical source of store supplies. MRA members have automatic credit standing with NCS.

## ANOTHER MEMBER SAVINGS

Beginning with 1978 calendar year purchases—all MRA members will qualify for special purchase refunds expected to range form 2% to 10%. Each year the Board will set the refund and checks will be issued to members representing the savings on purchases in the previous calendar year.

NCS
National Clothier Service
1727 W Devon
Chicago, Illinois 60660
*A Division of Menswear Retailers of America*

CALL FREE 800-621-4118
(in ILL. 800-972-3608)

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